VISA WAIVER PROGRAM

HEARING

BEFORE THE

SUBCOMMITTEE ON BUSINESS, TRADE, AND TOURISM

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

FIRST SESSION

ON

VISA WAIVER PROGRAM

SEPTEMBER 22, 1981

Serial No. 97-75

Printed for the use of the
Committee on Commerce, Science, and Transportation

U.S. GOVERNMENT PRINTING OFFICE
88-004 O WASHINGTON: 1982

5261-11

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VISA WAIVER PROGRAM

TUESDAY, SEPTEMBER 22, 1981

U.S. SENATE, COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, SUBCOMMITTEE ON BUSINESS, TRADE, AND TOURISM,

Washington, D.C.

The subcommittee met at 9:36 a.m., in room 235, Russell Senate Office Building, Hon. Larry Pressler (chairman of the subcommittee) presiding.

OPENING STATEMENT BY SENATOR PRESSLER

Senator PRESSLER. I call this meeting to order. I would like to welcome all of you here today for this hearing on the State Department's proposal to implement a system for waiving nonimmigrant visas. If legislation can be enacted this session, I will have to say that this Congress finally addressed some of the concerns of the travel and tourism industry.

I am sure most of you know the House-Senate Conference Committee was able to reach an agreement on the National Tourism Policy Act last Thursday. If we can get this measure into law as well as this, I think we will have taken some very positive steps.

The need for a visa waiver system is longstanding and has been well documented; however, in the last few years the need has become more pressing, due to the sharp rise in foreign visitors coming to the United States. Our Embassies, whose staffs are already overtaxed, face increasing backlogs of visa applications and the situation shows no sign of abating any time soon.

The benefits of a selective visa waiver program are substantial and the risks are relatively small. While it is not possible to quantify the number of travelers who do not come to this country each year because of our cumbersome and time-consuming visa system, commonsense tells us there are thousands. Why, for instance, would someone in Germany go to the trouble to apply for a U.S. visa, when they can travel almost anywhere in Europe and most of the rest of the world simply on their passport.

It is a fact that the visa requirement makes the United States less attractive as a destination. If we can reduce the scope of this obstacle to travel, we will increase travel and tourism-related business, create jobs and increase tax revenues.

I would like to take a moment now to explain the procedure for today's hearings. If there are no objections from the administration's witnesses, I would like to begin by hearing from the Air Transport Association. They have brought with them a short slide presentation which graphically demonstrates the problems being caused at the Embassies by the visa overload. This will give us a

good idea of the situation the State Department proposal seeks to correct. Then we will hear from Ambassador Asencio, who will explain the procedures of the State Department proposal.

We may have some variations in that. Senator Cannon will have an opening statement.

Let me just add to this that I cannot stress enough the economic importance of this subject as part of a total picture. In my home State of South Dakota, we have had 2 million tourists in the last year coming to see Mount Rushmore, the Black Hills, hunting, or other types of activities. That is nearly four times as many people as we have in our State. The economic impact of that is enormous. And increasingly, foreign tourists are coming to the United States to see things that are uniquely American, many of which are not necessarily on our coasts, although I have nothing against people going to see our great cities on the coasts. But I think in terms of obstacles to travel, we have to be very careful and very sensitive, because we are going to have to compete for foreign tourists. We are going to have to compete in international trade.

This is as much a part of international trade as the automobile industry or as the electronics industry or as many of the other industries on which we are spending millions and billions of dollars in trade adjustment assistance. And this industry is not seeking assistance in that form. It is seeking a government more sensitive to some of the problems that it faces.

So these hearings are part of a continuing effort that this subcommittee will make to highlight and focus the issue of tourism and travel. It is not just big business. Ninty-nine percent of the industry in my State is small business, and that is true across our country.

So with those thoughts, let me say that we are pleased with the Department of Commerce. We are getting a higher priority for tourism and travel there under the new bill. The tourism and travel area will have an under secretary, if the bill is signed into law, and I have sent the President a letter asking that it be signed. I feel very positive about these hearings. I think they are a very necessary part of the tourism and travel analysis, as well as action that we are going through here in this subcommittee and Congress.

I should say at this point, I want to compliment the staff, majority and minority. I want to compliment in particular Senators Cannon and Exon and their staffs, and Senator Packwood, for the support that they are giving, highlighting this tourism issue.

I am chairman of the subcommittee, but the support that we have gotten from the Chairman, the ranking member on the committee and on the staff has been extraordinary. The staff on both sides have done an excellent job. I want to make that a part of the record.

With that, I call on Senator Cannon.

OPENING STATEMENT BY SENATOR CANNON

Senator CANNON. Thank you, Mr. Chairman. Last week Senate-House Conference Committee reached agreement on S. 304, the National Tourism Policy Act. Shortly, the House and Senate are expected to adopt that conference report and the President is expected to sign it into law.

The National Tourism Policy Act is the next in a series of efforts begun by the Commerce Committee 20 years ago, which are intended to assure that the Federal Government aggressively promotes international travel to the United States. In 1961 Congress enacted the International Travel Act which created the United States Travel Service and established regional offices abroad to assist the travel industry to promote the United States as an international travel destination.

In 1970, because of tourism's growing economic importance, we amended that act and upgraded the office of head of the Travel Service to that of Assistant Secretary of Commerce for Tourism and broadened the role of the United States Travel Service.

The economic importance of the industry has continued to increase and many predict it will become the world's largest within the next 20 years. The National Tourism Policy Act which we expect to become law shortly, is the latest effort by this committee to enable the Federal Government to assist the private sector and assure that the United States will be able to compete effectively in the international travel market. The new act replaces the U.S. Travel Service with the U.S. Travel and Tourism Administration which will be headed by an Under Secretary of Commerce for tourism.

Among other things, this legislation establishes a national tourism policy which by its terms specifically commits the Federal Government to use all practical means and measures to encourage the free and welcome entry of travelers to the United States, in order to enhance international understanding and good will. Limited waiver of our nonimmigrant visa requirements would, in my judgment, implement our new national tourism policy which, as I have said, is expected to become law shortly.

Many of us believe that the screening of legitimate travelers from countries with low visa refusal rates is an unproductive use of resources. Moreover, it is a source of irritation to those travelers who are for the most part citizens of countries which long ago abolished these visa requirements for American tourists.

In this connection I would like to quote from the testimony of a major tour operator when he testified before this committee in 1979.

> The potential visitor to the United States goes into the visa section of your embassy, where he is subject to a security search. He is given a visa application form and on reading it, he knows immediately he is suspected of being an illegal immigrant. He is asked, "Were you ever refused a visa? How long have you been in the country in which you now live? Is your father, mother, spouse now in the United States? Have you ever been convicted of an offense other than driving? Who is going to pay for your proposed visit?"

I wish to commend the chairman of the subcommittee for scheduling this hearing and thereby emphasizing the need for a change in our laws and policy.

And Mr. Chairman, Senator Inouye could not be here today and asked me to read a letter to you into the record.

> Dear Mr. Chairman, I wish to commend you and your subcommittee for continuing the initiatives relating to international visitor facilitation which were begun under the committee's National Tourism Policy Study.
>
> According to poll after poll, the United States is the foremost attraction for international visitors, even though we seem to go out of the way at times to make things difficult for them.

During our hearings in 1976 and 1977, witness after witness advocated a limited form of visa waiver, and I believe the time is long overdue for us to act on these recommendations. I would be happy to join you and other members of the committee in sending a letter to this effect to the Senate Judiciary Committee which will consider the State Department proposal.

Aloha.

DANIEL K. INOUYE, *U.S. Senator.*

Senator PRESSLER. Senator Exon.

OPENING STATEMENT BY SENATOR EXON

Senator EXON. Thank you, Mr. Chairman. I think we're talking about something important here this morning. It is nice to see something which it seems everyone agrees needs to be changed. In 1979 there were an estimated 7.2 million visitors arriving in the United States, including Canada and Mexico. In 1970, the figure was about 2.1 million. In 1960 only 601,000 visitors arrived from overseas.

During this time of tremendous growth in the number of overseas visitors, our visa requirements and the regulation implementing them have remained static. In other words we have advanced to a jumbo jet age with visitors facilitation policy geared to the volume of visitors entering the United States during the prop age. I can think of no industry where the techniques and methods of 20 years ago are considered adequate for today.

Our failure to deal with the realities of international tourism is especially serious, in view of the present and future importance of this industry to our economy. Phase 1 of the committee's national tourism policy study concluded that our policy of requiring visas for admission of nonimmigrant foreign nationals, such as tourists and businessmen staying for relatively short periods, impedes the effective demand for travel to the United States.

DOT studies in 1971 concluded that elimination of the tourism visa requirements would have increased by roughly 100,000 the number of foreign visitors to the United States in 1969. According to a later study by American Express, if our visa requirements were abolished, the United States could expect an additional 63,000 visitors from nine European countries, another 33,500 visitors from South America, 20,500 more from Central America, an additional 41,700 from Asian countries, and 17,000 more from Australia and New Zealand.

This is a total of nearly 180,000 more visitors per year. The United States Travel Service estimates that every incoming visitor is a living 343 export-import for the United States. Using that yardstick, our international travel deficit would be reduced by over $55 million annually, if there were no visa requirements.

The United States has, I believe, the greatest opportunity of any country in the world to capitalize on growth of international tourism. In poll after poll, ours is a country most people want to visit. We have natural and technological attractions which are unequaled in the world. Very significantly, we have a wider variety of existing facilities and services to accommodate visitors.

So it will not require significant new capital investment within the United States to accommodate our increased flow of international tourists.

At a time when our economy is troubled, there are so many demands for limited Federal dollars, a limited visa waiver seems to

make good sense. It will not only encourage travel to the United States and therefore help our economy, it should reduce the cost of maintaining our visa services in many overseas countries.

Our committee held several hearings on international visitor facilitation during the national tourism policy study.

I want to take this opportunity to commend the chairman of the subcommittee for continuing the committee's initiatives. I thank the Chairman.

Senator PRESSLER. Thank you very much.

I now call on Norman Philion, executive vice president, Air Transport Association. We are not going in the order of protocol this morning, but I understand the staff has worked things out, and everyone agreed that this would be the best way to proceed, to see the slide presentation first. So we do thank those who have agreed to go second or third, who would normally be first.

STATEMENT OF NORMAN PHILION, EXECUTIVE VICE PRESIDENT, AIR TRANSPORT ASSOCIATION, ACCOMPANIED BY JAMES MONTGOMERY, PAN AMERICAN WORLD AIRWAYS; AND JON ASH, TRANS WORLD AIRLINES

Mr. PHILION. Thank you, Mr. Chairman. I would like to introduce my colleagues. On my right is Mr. James Montgomery, who is senior vice president and assistant to the chairman of Pan American World Airways. And on my left is Jon Ash, who is vice president, government affairs, of TWA.

I would like to submit our prepared statement for the record on behalf of the U.S. airlines in support of visitor visa waiver legislation.

We believe this is important legislation. As you have stated, it is an important adjunct to the national tourism policy and to the national effort to increase travel to the United States by citizens of other nations. It is important also to the needed effort to improve the way we invite and greet those who visit us. It is an essential step in the needed effort to remove unnecessary travel barriers and irritants.

We have been urging the enactment of visa waiver legislation for a long time. Perhaps more has been said and written on this subject over the years than on any other single facilitation measure. Congressional committee records are overflowing. We believe what is needed now is legislative action. That need is convincingly demonstrated in a short slide presentation which I would like to share with you. It depicts the visa problem in a major U.S. travel market, and it does so far better than our testimony can.

Before showing our slides, I would like to make a brief observation on the penalty provisions applicable to the airlines that are contained in the visa waiver proposal. While we strongly support visa waivers and want to cooperate in every way we can to implement the program, we believe the proposed penalty provisions are excessive and unnecessary. No airline will be permitted to bring visitors to the United States without visas unless it has a contract with the Attorney General.

A more effective way to assure compliance with the requirements of the contract, in our opinion, is to provide for its termina-

tion in the event of an airline's failure to fulfill its contractual obligations.

And now for our slide presentation, at the conclusion of which Mr. Montgomery and Mr. Ash will make brief presentations.

[Slide presentation.]

Mr. PHILION. That concludes our slide presentation, Mr. Chairman.

I would now like to call on Mr. Montgomery, if that's all right with you.

[The statement follows:]

STATEMENT OF NORMAN J. PHILION, EXECUTIVE VICE PRESIDENT, AIR TRANSPORT ASSOCIATION OF AMERICA

My name is Norman J. Philion. I am Executive Vice President of the Air Transport Association of America, which represents U.S. scheduled airlines. I am accompanied by James Montgomery, Senior Vice President and Assistant to the Chairman of Pan American World Airways; and Jon Ash, Vice President—Government Affairs of Trans World Airlines.

Among our members are 19 U.S. flag airlines that provide scheduled air service between the United States and some 70 other nations. These airlines, together with other elements of the U.S. travel and tourism industry, have long advocated procedures to simplify and facilitate the entry of travelers visiting the United States. Over the years we have repeatedly urged the enactment of visitor visa waiver legislation because we believed that the visa requirement was unnecessary in many cases, that its elimination would spur travel to this country, and that it would provide us a means of competing more effectively in the international travel market. We continue to hold this view and, therefore, welcome the opportunity to review the pending visa waiver proposal and the role of the airlines under its provisions.

In recent months, both the Senate and House have passed National Tourism Policy legislation which focuses on the economic importance of the agressive promotion of international travel to the United States. It is expected that the Congress will move expeditiously toward final passage of this legislation during this session of the 97th Congress. In view of the heightened Congressional interest in tourism policy reflected by this legislation, consideration of the visa waiver proposal is both timely and appropriate.

Because current U.S. visitor visa requirements are unnecessarily complex and burdensome, we believe they are a negative factor in the selection of the United States as a travel destination in the highly competitive international travel market. Based on our own observations as well as those of travel promotion professionals abroad, we believe the waiver of visas for business and pleasure visitors from selected countries will do much to overcome that negative factor and will result in an increase in the numbers of international travelers to the United States.

Enactment of the visa waiver proposal would be consistent with several of our national and international policy objectives and commitments, including the Facilitation Annex to the Chicago Convention on International Civil Aviation, the Helsinki Final Act of the Conference on Security and Cooperation in Europe, and the Final Report of the Select Commission on Immigration and Refugee Policy issued last March.

There have been various reservations in the past about easing visitor visa requirements. These reservations have ranged, in different period of our history, from national security concerns to more recent concerns about a potential increase in illegal alien problems. The pending visa waiver proposal has safeguards which we believe address current concerns. For example, recipients of visa waivers would be required to possess roundtrip, non-refundable tickets. They would also be required to execute affidavits confirming their eligibility for temporary admission under applicable provisions of the Immigration and Nationalty Act, and to pledge not to seek employment while in the United States. The affidavit would then serve as a two-part immigration entry and departure control document—the first copy being collected upon the visitor's arrival in the United States, with the second being collected by an airline upon the visitor's departure. The forms would then be quickly matched by the Immigration Service through a newly developed computerized system.

Under this proposal, the airlines would be required to enter into a contract with the Attorney General in order to bring visitors without visas to the United States.

The airlines would be responsible for issuing the roundtrip, non-refundable tickets, for insuring transportation to the traveler back to the point of origin of the ticket, and for collecting the departure control documents and returning them to the Immigration Service. Additionally, the airlines will be responsible for assuring that international travelers are aware of the limitations governing entry into the United States under the visa waiver. Moreover, the airlines will be responsible for returning visitors found ineligible at the port of entry.

In addition to those substantial financial and procedural responsibilities, the pending proposal also contains burdensome penalty provisions applicable to the airlines. They would impose a $1,000 penalty on the airlines for each and every contractual infraction, even those relating to minor paperwork infractions. The airlines believe the proposed penalty provisions are excessive on the one hand, because they could be imposed in cases involving thousands of individual transactions each day, and are unnecessary on the other, because there is a better way to achieve contractual compliance. Since the airlines will only be allowed to transport visitors without visas under a contractual arrangement with the Attorney General, a more effective means of assuring compliance would be to terminate the contract of any carrier that regularly fails to adhere to the rules. The airlines would suggest, therefore, that the need for such penalty provisions be reexamined.

Despite the recognized benefits of international tourism to the economy of the United States, current U.S. visitor visa requirements deter travel to this country, are unnecessary in many cases, and are at odds with the practices of nearly all other countries competing for international travel. The pending visa waiver proposal would help address such problems in a positive way, and is fully consistent with the principles set forth in the soon to be enacted National Tourism Policy legislation. Moreover, it has been carefully constructed to provide safeguards against abuse and, with the exception of the proposed penalty provisions, represents a realistic and viable visa waiver plan. We strongly urge early Congressional consideration and enactment of visitor visa waiver legislation.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

My name is James Montgomery. I am senior vice president and assistant to the chairman of Pan American World Airways. Most of my 31-year career with my company, Mr. Chairman, has been spent in the marketing of international air transportation. Seven of those years, actually overseas, working on the flow of tourists to this country.

It is a real privilege to appear in front of your committee, Mr. Chairman. I think it is about 16 years that this matter has been discussed back and forth in Congress. I have a large feeling of confidence myself that, under your leadership, it will begin to move rather rapidly.

My statement, Mr. Chairman, is in the hands of your staff, if it may be admitted that way, I would just like to take a couple of minutes to emphasize some points.

I think the slide show did demonstrate the point which the State Department has made in their proposed legislation: That the visa requirement creates a paperwork nightmare for embassies and consulates around the world.

I think the most important thing that we have to say this morning is that, while we are all anxious to have people come to this country—both to help the travel industry of this country and to learn about America for themselves—the visa requirement seems to be the exact opposite of a welcome.

In my years overseas, I guess the question which I was asked more often than any other, and tried to answer more often than any other question, was: Why does the United States require a visa from me, when our country requires only a passport from Americans who visit us? That was a difficult question to answer adequately.

I have attached to my statement, Mr. Chairman, a list of the close-to-70 countries around the world which do not require any visa from Americans visiting their countries. I am not suggesting by attaching that list that they should all be made part of this legislation. I think the carefully selected list of the State Department is a much more appropriate one. I think that it does illustrate that most countries in the world do extend a very warm welcome to the American tourist and give them as little difficulty to enter their countries as possible.

Last year, a kind of dream was realized for those of us who have been interested in the development of international tourism to the United States, in that we had more visitors coming in than Americans traveling out. And they spent moneys which, by themselves, generated—according to the U.S. Travel Data Center—$1,372,000,000 in Federal, State, and local taxes. It was good business.

We feel, however, that those figures should have been much higher. And we also feel that with the renewed strength of the dollar—if it is maintained—that there is a danger that we will not be able to maintain that high level of visitors. So, therefore, certainly the waiving of the visa requirement becomes a rather essential stimulus to the job which we are trying to do in selling the United States.

Mr. Chairman, there is one point in the legislation to which we would like to raise a point of opposition. We are—in addition to spending our moneys, to the extent that we can afford to generate travel to this country—perfectly willing to continue to work with the Immigration and Naturalization Service and other agencies in helping to screen passengers' documentation. But we would ask to be allowed to do so as a partner with the Government, if you will; as opposed to the present situation and to the situation proposed in this legislation—of operating under a constant threat of a penalty of $1,000 for each even minor infraction of the forms and the paperwork which would be required under it.

Mr. Chairman, we feel that those fines are simply wrong. And, as Mr. Philion has said, it would be a much more rational and reasonable procedure to withdraw the contract from any airline which consistently disobeyed the provisions and the procedures. But assessing monetary penalties only takes away money that we could spend in further promotion.

As a matter of fact, the United States stands rather alone in its assessment of both customs and immigration fines for failure to perform what are, after all, Government requirements and Government procedures. I have attached, also, to my testimony a list of those countries which, to the best of our current knowledge, assess fines—and they are very few—and a list of those who do not—and they are many.

I would like to repeat, Mr. Chairman, that we are deeply grateful for your leadership in the field of international tourism, and your apparent knowledge of the problems which the international air transportation industry is facing at the moment.

I would like to emphasize finally that the waiving of visas for visitors to this country would be of very valuable assistance to us in our present difficulties.

Thank you, Mr. Chairman.
[The statement follows:]

STATEMENT OF JAMES MONTGOMERY, SENIOR VICE PRESIDENT AND ASSISTANT TO THE CHAIRMAN, PAN AMERICAN WORLD AIRWAYS, INC.

Mr. Chairman, my name is James Montgomery and I am Senior Vice President and Assistant to the Chairman of Pan Am. Most of my thirty-one years with my company have been spent in the marketing of international air transport with emphasis on developing the flow of visitors to the United States. Seven of those years were spent at overseas locations in the globe-circling network of Pan Am. I am privileged, Mr. Chairman, to appear before you today in support of legislation which would waive the current visa requirements for visitors from many countries who make no such requirement on Americans and who wish to visit the United States.

With your permission, Mr. Chairman, I will submit my statement and supporting documents for your records. I wish here mainly to stress some important points in the proposed legislation. I know you are aware that for several years Pan Am and other international airlines have been urging the Congress to pass such legislation in an effort to increase foreign travel to the United States and give the U.S. travel balance-of-payments status a much needed stimulus.

Today, we join the State Department in asking for removal of this burdensome requirement which not only creates a paperwork nightmare for our embassies and consulates but denies the United States the benefits of visits from a large number of foreign tourists. In recent years we have seen a real desire on the part of our overseas friends to take advantage of the weaker dollar by visiting the United States. However, while a dream many of us have held for years was realized in 1980 when the number of visitors exceeded the outflow of U.S. travelers, it was a dream that should have produced even greater results. Almost 23 million visitors came to our shores and spent over $10 billion in the United States, generating Federal, State and local taxes of some $1,372,000,000. Mr. Chairman, those figures could and should have been much higher. Now, because of the strengthened dollar, it will be difficult to maintain even that level. While both the international and domestic carriers have offered special programs, such as discounted airfares to a variety of places within the United States, we have great difficulty in convincing the passenger to spend the necessary time and effort to go through the hassle of obtaining a U.S. visa. The added advance planning, unpleasant uncertainties and confusion created by the U.S. requirements have led many potential visitors to switch their travel plans to a more welcoming destination, of which there are many, or to the expenditure of their discretionary income in one of the many commodities which compete with travel.

Having been based in London for several years, I can personally attest to the negative feelings created by this hostile barrier. Countless times I have had to try to answer the question, "Why does the United States require a visa from me when our country requires only a passport from Americans who visit us?" There are now close to seventy countries around the world who welcome the American visitor without any requirement of a visa. The emotional impact of a truly openhearted welcome by the United States to visitors from abroad, as exemplified by this legislation would be so great as to generate an incalculable inflow of added tourist receipts.

Not only have the airlines spent massive amounts of monies advertising the United States as a destination, but they have been willing partners with the Immigration Agency in screening passengers' documentation. We are perfectly willing to continue to perform this service in the future, but ask that we be allowed to do so as a partner with the Government as opposed to operating under constant threat of penalty.

We feel that the fines which would be imposed on the airlines for failure to comply are simply wrong. Under the terms of the proposed legislation, any carrier wishing to transport visitors to the United States without visas would have to contract with the Attorney General, accepting responsibility for issuing roundtrip, non-refundable tickets, for insuring transportation to the traveler back to the point of origin of the ticket, and for collecting the departure control documents and returning them to the Immigration Service. A simple solution to insure enforcement of the contract would be to terminate the contract for non-compliance, rather than impose monetary penalties on a carrier which only hurt his ability to conduct further promotion. I might add, Mr. Chairman, that the United States stands virtually alone in its assessment of both Customs and Immigration fines for failure to perform what are, after all, government procedures. I have attached a list of

those countries which, to the best of our knowledge, do and do not impose any such fines on carriers.

Therefore, I join Mr. Philion in asking that the proposed legislation be amended to delete the unnecessary provision for fines on international carriers for failure to perform duties which rightly belong to an agency of the U.S. Government.

Mr. Chairman, through your deep and effective interest in the field of international tourism and your recognition of the part which the international air transportation industry has played and must continue to play, I am confident that the U.S. will capitalize on its tourism assets. Under your guidance, this country will soon have a National Tourism Policy and we strongly recommend that you and your Committee encourage the Senate to act expeditiously to insure passage of the proposed visa waiver legislation.

CUSTOMS AND IMMIGRATION FINES

[List of Countries Which Impose Fines on International Airlines]

No customs or immigration fines imposed

Australia
Austria
Belgium
Bulgaria
Czechoslovakia
Denmark
East Germany
France
India
Ireland
Italy
Ivory Coast
Japan
Jordan
Lebanon
Luxembourg
Mexico
Netherlands
New Zealand
Norway
Poland
Portugal
Romania
Senegal
Sweden
Switzerland
United Kingdom
U.S.S.R.
Venezuela
Yugoslovia

Countries which impose immigration fines

Argentina
Brazil
Bolivia
Canada
West Germany

Countries which impose customs fines

Saudi Arabia
Spain

LIST OF COUNTRIES WHICH DO NOT REQUIRE U.S. CITIZENS TO HAVE VISAS

1. Anguilla
2. Antigua
3. Austria
4. Bahamas
5. Barbados
6. Belgium
7. Belize
8. Bolivia [1]
9. Botswana
10. Brunei [1]
11. Canada
12. Cayman
13. Chile [2]
14. Columbia [2]
15. Costa Rica [2]
16. Cyprus
17. Denmark
18. Dominica
19. Dominican Rep.[2]
20. Ecuador [1]
21. El Salvador [2]
22. Fiji
23. Finland
24. France
25. Germany (Fed. Rep.)
26. Greece
27. Grenada
28. Guatemala [1 2]
29. Guyana
30. Haiti [1]
31. Honduras
32. Hong Kong
33. Iceland
34. Ireland
35. Israel
36. Italy
37. Jamaica
38. Lesotho
39. Luxembourg
40. Malawi
41. Malaysia
42. Malta
43. Mexico [2]
44. Montserrat
45. Morocco
46. Netherlands
47. Nevis/St. Kitts
48. New Zealand
49. Norway
50. Pakistan

51. Panama [2]
52. Paraguay [2]
53. Peru [2]
54. Portugal
55. Singapore
56. Spain
57. Sri Lanka [1]
58. Swaziland
59. Sweden
60. Switzerland
61. Thailand
62. Tonga
63. Trinidad & Tobago [1]Tunisia
64. Tunisia
65. Turkey
66. United Kingdom
67. Uruguay
68. Venezuela [1 2]
69. Zimbabwe

[1] Need visa for business.
[2] Need tourist card.

Mr. PHILION. Mr. Ash.

Mr. ASH. Mr. Chairman, my name is Jon Ash. I am vice president of Government affairs for Trans World Airlines. We appreciate the opportunity as well, because we do think this is a very critical issue, particularly in these times. If I may, I would like to read a brief statement.

For years, the governments of the world have endorsed commercial and tourist travel as vehicles for improving relations between their peoples, stimulating economic activity, and improving trade balances.

During the past 5 years in particular, many of the western European countries with which we deal have become increasingly sophisticated in their efforts to promote both business and leisure travel to their countries, and have fully recognized the value of such travel to their respective trade balances.

In the United States, we continue to endorse the concept, but seemingly we do everything possible to encourage potential foreign visitors to travel elsewhere.

First, we require them to obtain visas, notwithstanding the fact that the majority of world governments do not.

Second, after subjecting potential visitors to delays and personal inconvenience in obtaining visas, we fly them to the United States and hold them in an airplane for an hour or so, because we don't have enough immigration or customs inspectors available at our Federal inspection stations.

Finally, we deplane the passengers into inspection facilities where they wait another hour or more, due to the same shortage of manpower, before they eventually clear immigration and customs and are allowed to travel to their destinations.

I recognize that this committee can only deal with the visa waiver legislation, but I cannot overemphasize its importance. It is one of the three or four critical barriers erected by the United States, seemingly to alert citizens of other nations that we do not want them to visit us or, indeed, contribute to the $20 billion they spend here each year.

We need this legislation and we need it now. Clearly, the visa requirement is inhibiting travel to the United States, and that is costing TWA and this industry money at a time when we can ill afford it.

We are more than willing to do our part by issuing round trip nonrefundable tickets and collecting departure control documents, as required by the Immigration Service. Additionally, we will assure that international travelers without visas are made aware of the limitations governing entry into the United States.

even those relating to minor paperwork errors. The volume of tourist travel from western Europe alone could expose us to hundreds of thousands of dollars in fines and penalties.

Alternatively, to the extent that we do not comply with contractual agreements which we enter into with the Attorney General, we believe he would be more than justified in terminating our contract. We are willing to accept that risk.

In summary, passage of this legislation is critical to our industry, and we are willing to adhere to any reasonable guidelines or conditions promulgated by the Office of the Attorney General.

I thank you for this opportunity to state TWA's views, and I would be happy to answer any questions that you might have.

Senator PRESSLER. Thank you very much.

We have heard some excellent testimony, and I know some of you, such as Mr. Montgomery, have been at this for years. We hope to take a new run at it this year and hopefully get some matters resolved.

Mr. Philion, in your testimony you state that current visa requirements are a negative factor in the selection of the United States as a travel destination.

Do you have any studies that would show the loss of revenue, in terms of visitors to our country?

Mr. PHILION. No, sir, Mr. Chairman, we do not. We are convinced it is a negative factor. I think the slide presentation demonstrates that. Any time you require a prospective visitor to the United States to line up outside of our embassy in London or other embassy or consular offices abroad, for hours and days, to receive a visa to come here—after we have invited them, both as a Government and as private interests—or if they send their passports in by mail to secure a visa, to wait for weeks and have them lost—as you can see the backlog in London—we think that is a negative factor.

In our experience, in working abroad to promote travel to this country, we constantly have heard over the years that it is a negative factor. And our colleagues in the professional field of promoting travel to this country, who are based abroad, are convinced that it is a negative factor.

We do not have studies. I understand American Express has, in the past, completed some surveys in this area. They are going to be with you later on this morning, and they may have some updated numbers.

We think it is almost certain, Mr. Chairman, that it is a negative factor.

Senator PRESSLER. This question is for Mr. Montgomery and Mr. Ash: Since your carriers will be responsible for compliance with this program, can you make suggestions for improvements. I know that both of you expressed concern about the penalties; and it does seem that we are kind of putting the airlines on the spot a little bit unfairly, to be fined to that extent for any violation, because sometimes a violation can probably occur through no fault of the carrier.

Do you have suggestions for altering that legislation?

Or, how else could we require compliance—if you are unhappy with the legislation as it is?

Do you have language to suggest, that would alter it?

Mr. MONTGOMERY. I think the legislation, as such, does place a rather large role on the part of—on the shoulders of the carrier, to be sure that the passenger has a roundtrip ticket, that he fills out the necessary forms in duplicate, and then the duplicate form is picked up from him when he departs from the country. Those are fairly onerous requirements by themselves. However, we are perfectly willing to assume that load.

The only suggestion which we would make is that the language referring to fines for any inaccuracy in the form, or for any failure to observe the Government's procedures, be eliminated.

We are not intentionally going to become careless on a subject like this. We do want to carry the passenger back. That is another fare for us. We have no intention of evading these procedures, and we will carry them out rigorously. But why, for even a clerical error, should we be assessed a fine of $1,000, as we are today?

Mr. ASH. We endorse that. We have paid a significant number of fines and penalties over the last 3 years for various infractions, some of which were valid and some of which were minor. But it has added up to a lot of dollars. We just cannot afford that these days.

Mr. PHILION. We are prepared to submit for the record recommended legislative changes. A small technical change would be required to revise the proposed language from the penalty provision to a termination provision. If the carriers willfully and carelessly neglect their obligations under this statute, I think they should face up to the fact that their contract, their right to carry this traffic, would be terminated.

Senator PRESSLER. I yield to Senator Cannon for questions.

Senator CANNON. Thank you, Mr. Chairman.

Mr. Philion, in your view, are there adequate internal controls in the State Department's proposed legislation, to assure that the waiver would not exacerbate our illegal alien problems?

Mr. PHILION. I think so, Senator.

First of all, the group of countries that would be eligible would be rather limited at the outset. There would be some experience gained. I suspect the State Department is much more qualified than I am to answer your question, but from our experience, we think the safeguards that are built into the statute are, and will be, adequate for this period.

I think, after experience has been gained, perhaps additional countries can be added to the list of countries eligible for the visa waiver.

Senator CANNON. For many reasons, the United States is the best and most attractive bargain for international tourists. Somehow I get the feeling that many in Government feel that this fact alone is sufficient to attract tourists, and the Government need do nothing more. Of course, that is reminiscent of earlier attitudes in the 1950's. Since then, however, travelers have become more sophisticated and there are many other highly desirable international tourism destinations, including those in Mexico and Canada, our two next door neighbors.

Let me ask you this: Do Mexico and Canada have a requirement such as we have for their foreign visitors now?

Mr. PHILION. No. They do not, Mr. Cannon.

Since you have raised Canada and Mexico—as you know, under current immigration law, the Attorney General and the Secretary of State, acting jointly, have the authority today—and have had it since 1952—to waive visitor visas for citizens from adjacent islands and contiguous countries. The waiver, on the U.S. part, has never been put into effect in the case of Mexico. We think that some experimenting ought to be done in that area.

But Canada permits visitors from Europe, from Latin America, from the Far East into Canada without visas. And we are competing with Canada for this traffic.

Senator CANNON. Those two destinations are, in fact, a very competitive threat to the United States now, are they not?

Mr. PHILION. They are.

Senator CANNON. Thank you, Mr. Chairman.

Senator PRESSLER. Thank you, Senator Cannon.

Next we will call on Ambassador Asencio, for his testimony. We thank you gentlemen very much.

Mr. PHILION. Thank you, sir.

Mr. MONTGOMERY. Thank you, sir.

Mr. ASH. Thank you.

Senator PRESSLER. Our international carriers are having a difficult time. I gave a speech, which I sent to some of you, showing the losses that our carriers are suffering from competing with State-owned carriers that get certain low-interest loans from certain international organizations—also, the landing fee differences between what we charge and certain foreign countries charges—some of our best allies—combined with other things.

And we are going to find ourselves without international carriers. So I think that is something that we need to think very hard about. But that is another subject. Some of us are aware of your problems.

STATEMENT OF HON. DIEGO ASENCIO, ASSISTANT SECRETARY FOR CONSULAR AFFAIRS, DEPARTMENT OF STATE

Mr. ASENCIO. With your permission, I will present my statement for the record and make a brief summary.

Senator PRESSLER. Fine. Without objection it is so ordered.

We are happy to have you, and we thank you for being second here, and seeing the slide show, which was very good.

Mr. ASENCIO. I appreciate the opportunity to appear before your committee. Our proposed bill would amend the Immigration and Nationality Act to authorize the Attorney General and the Secretary of State to waive the nonimmigrant visa requirement on a reciprocal basis for short-term business and tourist visitors who are citizens of countries with the best record of compliance with our immigration laws.

This bill should promote economy and efficiency in our operations, in this period of severe budget and personnel restraints. The rise in standards of living of Western Europe and certain other countries, such as Japan, the comparative reduction of international air fares, and until recently the decline of the dollar relative to other hard currencies have all contributed to a phenomenal increase in tourist travel to the United States. Experience has shown that visitors from many of these countries have posed the fewest

enforcement problems in terms of our immigration laws. As a result, we are in a position of devoting an ever-increasing effort to processing growing numbers of visitor visa applications by applicants whose qualifications are rarely in doubt.

Under the administration's proposal, we would eliminate the visa requirement for a large number of legitimate travelers, and enable us to make more rational use of our trained and experienced personnel. The enactment of this proposal would also promote better relations with some of our closest allies and other friendly nations around the world. Many nations, including those Western European countries which benefit most from tourism have no tourist visa requirements for Americans and other nationals. Our country, on the other hand, still imposes visa requirements.

Of prime consideration, however, is that our proposal would not alter essential statutory and other safeguards relating to travel to the United States. It limits the waiver to countries that have not posed a significant enforcement problem. The proposal also requires an annual review to insure continued eligibility; the ineligibility requirements remain in force; the Department of Justice has informed us there is no objection to the proposal from the appropriate domestic security agencies.

Finally, we have developed an easy system for verification of entry and departure. We have devised a simple duplicate machine-readable document where the alien would retain the original and surrender it upon departure for computer-assisted collation with the Immigration Service's control copy. To avoid expensive and time-consuming efforts by the Service to verify departure, the carrier would be responsible for lifting the alien's copy and returning it to the Service, as is done now with the current arrival-departure document. This system should be considerably less expensive than the present utilization of human resources.

By eliminating an unnecessary barrier to travel and the least essential nonimmigrant visa work by consular personnel abroad, it would allow us to assign our consular officers more efficiently and rationally to the highest priority tasks abroad. By making travel to the United States simpler and easier, we would increase its volume and contribute to improving our balance of payments. By maintaining appropriate safeguards, we would continue to meet our policy and legal obligations regarding the entry of aliens into the United States.

We submit that this bill warrants favorable consideration by the Congress. I would be happy to respond to any questions, Mr. Chairman. Thank you.

Senator PRESSLER. Thank you, Ambassador Asencio. Is it true that the Office of Management and Budget has offered its support of your program?

Mr. ASENCIO. Oh, yes, it has.

Senator PRESSLER. Wholeheartedly. You have David Stockman all happy and everything.

Mr. ASENCIO. Yes.

Senator PRESSLER. What would the budget situation be for the embassy if the legislation is not enacted and the number of visas is not reduced?

Mr. ASENCIO. We have calculated that there would be an initial savings of about 121 positions if the act is enacted. This is only the initial slice of savings, because as tourism increases, it would of course be necessary to assign additional people to posts where visitors' visas are particularly popular. So we see this as a continuing savings, and it prevents an increased workload from swamping our posts. Essentially, we are issuing some 7 million visas now a year. This could very well cut that figure in half. I think that would be the best illustration I can think of of what we are really talking about.

Senator PRESSLER. Are you aware of any objections to your plan from the security agencies, CIA, or others?

Mr. ASENCIO. We had been very careful to vent this proposal with those agencies, and as I mentioned in my oral statement, the Justice Department particularly has assured us that the domestic security agency does not have any problem with the proposal as it is currently drafted.

Senator PRESSLER. What do we get out of the visa process? Do we sort out some people, or is it just an exercise in paperwork?

Mr. ASENCIO. Mr. Chairman, I think it would be essential at this point to point out what the basic problem has been with regard to this legislation, the reason why it has been proposed for so long and has never passed. And I think that it would be important for this committee to be aware of the essential problem here. And I think Senator Cannon alluded to it when he referred to the illegal alien issue.

As you know, the Census Bureau estimates that there could be anywhere from 3.4 to 6 million illegal aliens in the United States. Other estimates put that closer, perhaps, to 20 million. There is a perception in the United States that is quite palpable that immigration is out of control. This has been exacerbated by the boat people, refugee incursions, Cubans, Haitians, and everything else, and with economic downturn, it has become a real political issue. And I think the administration, for instance, has been quite courageous in proposing a package of immigration reform. This is not part of that package, but it complements it.

Now, essentially, because of this perception, there are those who believe that any relaxation of the provisions of the Immigration and Nationality Act would be a further—would contribute further to the collapse of the system. You have the paradox of perhaps 1 million illegal aliens a year entering the United States, and then you are devoting substantial human resources to looking into the underwear and socks of visitors from those countries, where we rarely have a problem in this regard, that do not contribute to the illegal alien aspect.

But there is the perception—so that the people who had been opposing it on that basis have insisted that we come up with a system that would enable us to verify whether the people taking advantage of our proposal actually depart. And this is the reason for our entry and verification of departure system. I might refer to some of the previous testimony concerning the possible fines against the airline. I think this is part and parcel of the same approach, that is, that those who would oppose this system as it was presented in years past might or would accept something with

iron-clad verification of departure controls, and that they see a mandatory system with mandatory airline participation as an important element to dissolving their opposition.

So I do not want to leave the impression that the idea of the fine was just a sort of a casual approach, but something that could very well be, in the ultimate analysis, one where before less friendly committees, where that might be terribly important.

Senator PRESSLER. Thank you. I will now call on Senator Cannon for his questions.

Senator CANNON. Thank you.

Mr. Ambassador, do you think that there are adequate internal controls to assure that the waiver would not exacerbate the illegal alien problem?

Mr. ASENCIO. Absolutely. We, as part of this approach, Senator, have also proposed a system in conjunction with INS that would be fairly simple of implementation, that would provide for a machine-readable document at entry that could then be collated on departure in an automation-assisted system, and would give us a very quick reading as to whether anyone is abusing the privileges provided by this proposed legislation. And if those privileges are abused, of course, beyond a specified percentage, of course, the country involved would lose those privileges. I think we really have a very good proposed system, just to do that.

Senator CANNON. I have some problems there with the requirement that the Attorney General would require contracts with transportation companies to prescribe procedures designed to accomplish the departure of aliens who have entered under that procedure. It seems to me that that imposes an unreasonable burden on the transportation company itself.

How in the world are they going to require the departure of an alien that came in, for example, the airlines on one of their air carriers? Are they going to have to send people out and try to find him and bring him back if he doesn't show?

Mr. ASENCIO. I don't think that is visualized in the legislation, Senator. We are not suggesting that the airlines have to be sort of bondsmen. We are suggesting that they have to participate in the monitoring of the system.

Senator CANNON. You say here:

> The Attorney General would require contracts with transportation companies to prescribe procedures designed to accomplish the departure of aliens who enter under the visa waivers provided in the bill.

Mr. ASENCIO. What we mean there is that this particular machine-readable document, the airlines' participation in that aspect of the monitoring system is important, as is, of course, the round-trip ticket as part of the system. We are not suggesting that the airlines get into the police business.

Senator CANNON. You are not imposing the responsibility on the air carrier or the travel agent who sold the ticket to make sure that that person comes back, on the order of a bail bondsman?

Mr. ASENCIO. No, sir.

We are asking them to help us in the monitoring system, which would tell us whether the guy has left or not.

Senator CANNON. What is the status of the automated nonimmigrant visa system which the State Department said it was developing a few years ago?

Mr. ASENCIO. We have several systems. We have a capability right now to issue a machine-readable visa. We actually also have a very extensive lookout system which would be part of what we would turn over, for instance, to the INS in the event that the verification of departure system would go into effect here. We also have an automated travel document issuance system. We are actually producing machine-readable passports. We have developed systems to follow the travails of American prisoners abroad. We have also developed a system to automate the immigrant visa issuance procedures. So we have a handful of systems and are developing more to try to automate as much of our activities as possible.

I am convinced that, with the obvious budgetary restraints that one can foresee for some time, that this is the only way that we are going to be able to handle an ever increasing, ever upward spiralling workload. And the answer to our problems lie in automation. In the meantime, we have the problem, of course, of what to do for next Wednesday. And this is where we have problems with OMB, Mr. Stockman, and everyone else.

Senator CANNON. Do any of the countries that would qualify for visa waivers under this proposed legislation have any internal controls that would still apply to U.S. citizens travelling in those countries?

Mr. ASENCIO. No, Senator. The idea is that this would hinge on reciprocity of treatment with regard to our citizens.

Senator CANNON. I understand that, but I wondered if any did have any internal controls in those countries, as far as you know.

Mr. ASENCIO. As I understand it, Japan, which requires visas now, would be prepared to enter into some sort of an agreement with us to waive visas for our citizens going to Japan—if this legislation should be enacted.

Senator CANNON. You referred to the penalty provisions that the airlines talked about earlier. Do you think that their complaint is a valid one, the concern that they expressed here this morning?

Mr. ASENCIO. I think it is a perfectly valid complaint, Senator. Let me make that plain.

What I am saying is I think that there is a solid group of opposition in both the Senate and the House with regard to anything that looks like a relaxation of the current provisions of the Immigration Nationality Act, and our proposed verification of departure system is a very important part of meeting that opposition, and could very well make it evaporate.

What I am saying is that the fine is seen by many as a way of making the system foolproof and mandatory, and its elimination may very well get us into trouble with other committees of this Chamber.

Senator PRESSLER. Thank you, Senator Cannon.

Thank you very much, Mr. Ambassador. We appreciate your testimony.

This is irrelevant, but just this morning the Foreign Relations Committee was asked to respond to the President or the Commission's proposal on hostages, and I remember that you conducted

yourself so well in a hostage situation, and we are very proud of you.

Mr. ASENCIO. You are very kind, Mr. Chairman.

[The statement follows:]

STATEMENT OF HON. DIEGO C. ASENCIO, ASSISTANT SECRETARY FOR CONSULAR AFFAIRS, DEPARTMENT OF STATE

Mr. Chairman: Thank you for this opportunity to appear before the Committee to speak in support of the Administration's Nonimmigrant Visa Waiver proposal. Our proposed bill would amend the Immigration and Nationality Act to authorize the Attorney General and the Secretary of State to waive the nonimmigrant visa requirement on a reciprocal basis for short-term business and tourist visitors who are citizens of countries with the best record of compliance with our immigration laws.

Nonimmigrant visa waiver proposals have been made on several occasions over the last 15 years. These proposals have been sponsored or supported, regardless of party, by virtually every Administration since then. It is our view that the current proposal enhances the good points in earlier bills and avoids previous weaknesses.

There are several main arguments in favor of the proposal to waive the visa requirement on a selective basis for temporary tourist and business visitors.

It would clearly promote economy and efficiency of operation in a period of severe budget constraint and government personnel reductions. There have been revolutionary changes in international travel in the last 20 to 25 years. The rise in standards of living in Western Europe and certain other countries such as Japan, the comparative reduction of international air fares, and (until recently) the decline of the dollar relative to other hard currencies, have all contributed to a phenomenal increase in tourist travel to the United States. Concurrently, experience has shown that visitors from many of these countries have posed the fewest enforcement problems in terms of our immigration laws. As a result, we are in the position of devoting an ever-increasing effort to processing ever-growing numbers of visitor visa applications by applicants whose qualifications are only rarely in doubt. Therefore, nonimmigrant visa issuance in such countries has become a mass effort of questionable utility.

Under the Administration's proposal, the visa requirement would be waived for most of these travellers, giving them treatment analogous to that now extended to citizens of Canada visiting the United States. Only those who intend to stay in the United States longer than 90 days would continue to require visas. While some tourists and business visitors come here for longer than 90 days, the United States Travel Service has indicated that the overwhelming majority of such visitors stays less than that time. Thus, our proposal would eliminate the visa requirement for a large number of legitimate travellers and enable us to make more rational use of our trained and experienced personnel to meet other, growing and higher priority consular responsibilities, such as visa screening in high fraud areas and improved services to American citizens abroad.

Enactment of this proposal would promote better relations with some of our closest allies and other friendly nations around the world; a world in which Americans can now travel freely to and from many countries without the necessity of first obtaining a visitor's visa.

Many nations, including those Western European countries which benefit most from tourism, have no tourist visa requirements for Americans and many other nationals. Our country, on the other hand, still imposes a rigid visa requirement. Retention of an inflexible requirement of this nature obviously represents an inconvenience and irritant to many travellers and would-be travellers to this country. Its waiver under circumstances suggested in the proposal would clearly enhance the image of the United States in the eyes of visitors from those countries and their governments.

Elimination of the visa requirement for visitors is in keeping with our belief in freedom to travel. It would be striking evidence of our commitment to reducing travel barriers, and would, thus, promote a better understanding of America throughout the world. To the extent it encourages additional travel to this country, the bill could also contribute to an improvement of our balance of payments deficit.

Of prime consideration, however, is that our proposal would not alter essential statutory and other safeguards relating to travel to the United States.

First, only countries having an average nonimmigrant visa refusal rate of less than two percent during the two prior fiscal years (and no higher than 2.5 percent in any one of those two years), would qualify for the waiver. This provision limits the applicability of the waiver to countries whose nationals have not posed a

significant enforcement problem under the immigration law. Conditioning eligibility for the waiver on a quantifiable objective standard of this sort will minimize potential problems in our bilateral relations with countries which do not meet the criteria.

Second, under our proposal there would be an annual review of pertinent statistics, maintained by the Immigration and Naturalization Service, relating to a rate of exclusion and withdrawal of application for admission or to aliens who have violated their nonimmigrant status. If that review showed that a rate of violation for visitors from any particular country exceeded the limit contained in the proposal, the waiver would be withdrawn. Thus, the additional screening device of the visa application procedure would be re-imposed if experience showed this to be warranted. Once again, the use of an objective, quantifiable standard will minimize potential foreign and public relations problems. The Immigration and Naturalization Service will, of course, screen those who come without visas, using its own information resources as well as those of the State Department from our Automated Visa Lookout System. There could be a potential saving in the one-step check by use of a joint Lookout System with the Immigration and Customs Services.

Third, all grounds of inadmissibility under the Immigration Act will remain in full force and effect. In addition to possessing a valid passport, an alien seeking admission under the visa waiver will be required under the proposal to have a nonrefundable round-trip ticket and to sign a statement that the statutory grounds of inadmissibility do not apply to the traveller.

Fourth, aliens entering the United States under terms of this bill may not have their status adjusted while in the country nor their classification changed under Sections 245 and 248 of the Act and may not have their authorized stay extended beyond 90 days.

Fifth, an alien who has willfully remained in this country beyond the 90 days permitted in the bill or who has engaged in employment would be excluded from using the waiver provision in the future.

Sixth, the Attorney General would require contracts with transportation companies to prescribe procedures designed to accomplish the departure of aliens who enter under the visa waiver provided in this bill.

Seventh, the waiver privilege will be available only to those countries willing to extend equivalent courtesies on a reciprocal basis to American travelers.

Finally, we have been informally advised by the Department of Justice that the domestic intelligence agency, which had objected to our nonimmigrant visa waiver proposal in the past, now has withdrawn its objection in view of the proposal's current format.

In the past one of the principal objections to similar waiver proposals has been based on the lack of a verification of departure system to show that aliens who have taken advantage of this simplified entry have departed the United States. In an effort to overcome this obstacle our proposal allows for a machine-readable duplicate form to serve as an entry and departure document when properly endorsed by the inspecting officer at port of entry. The Immigration Service officer would retain the copy as a control document. The alien would retain the original and surrender it upon departure for computer-assisted collation with the Service's control copy. To avoid expensive and time-consuming efforts by the Service to verify departure, the carrier would be responsible for lifting the alien's copy and returning it to the Service as is done now with the current arrival/departure document.

Obviously this is one of a number of possible systems to verify departure, some of which we have been discussing with the Customs and Immigration Services. The important ingredients of any such system, however, must be simplicity and efficiency. The system we have suggested should be considerably less expensive than the present utilization of human resources and might be in place within 18 months of passage of the Bill.

By eliminating an unnecessary barrier to travel, passage of this bill would demonstrate to the world our recognition of the benefits of expanding person-to-person contracts among nations. By eliminating the least essential nonimmigrant visa issuance work by consular personnel abroad, it would allow us to assign our consular officers more efficiently and rationally to highest priority tasks abroad. By making travel to the United States simpler and easier, we would increase its volume and contribute to improving our balance of payments. By maintaining appropriate safeguards we would continue to meet our policy and legal obligations regarding the entry of aliens into the United States.

We submit that this bill warrants favorable consideration by the Congress. My colleagues and I would be pleased to respond now or later to any questions by the Committee.

Thank you.

Senator PRESSLER. Next we will call upon a good friend, Frederick M. Bush, Assistant Secretary of Commerce for Tourism. And Fred, we thank you for being patient.

I might say we are adding to the witness list Mr. E. C. Sherry, president of the International Association of Convention and Visitor Bureaus. Mr. Sherry has a tight schedule. We are going to try to squeeze you in here soon. If you cannot stay, we will put your statement in the record. But we would like to hear from you.

STATEMENT OF FREDERICK BUSH, ASSISTANT SECRETARY FOR TOURISM, DEPARTMENT OF COMMERCE

Mr. BUSH. Thank you, Mr. Chairman. With your permission, I will read a summary statement and submit my full testimony for the record.

I am pleased to appear before your committee in support of legislation to amend the Immigration and Nationality Act to allow the waiver of certain nonimmigrant visa requirements. We strongly recommend enactment of this amendment.

The Department of Commerce has great interest in this legislation, because the International Travel Act of 1961 directs the Secretary of Commerce to "encourage the simplification, reduction, or elimination of barriers to travel and facilitation of international travel generally." The U.S. Travel Service is actively promoting "visit U.S.A." travel in a number of countries which would probably be affected by the proposal, and which represent the most important potential overseas markets for tourism to the United States.

Significant numbers of both foreign, international travelers and the foreign travel agency sellers who have traveled to the United States consider the present nonimmigrant visa requirements an inhibitor of travel to the United States. Most Western European countries eliminated the visa requirement for American and other tourists in the post-World War II era.

Despite this fact, the United States has not reciprocated, and the overwhelming majority of visitors applying for admission to the United States from these countries qualify for entry. In a number of countries, including the United Kingdom, the visa application process inconveniences the potential visitor and creates negative publicity, frustration, and ill will.

The proposed legislation would demonstrate that the United States values and welcomes foreign tourism business and is willing to reciprocate in the area of visa requirements. The Department believes that visa waiver legislation is consistent with the tourism provisions of the Helsinki accords; the Convention on International Civil Aviation; and with the goals and objectives of the Organization for Economic Cooperation and Development and the World Tourism Organization in which the United States holds membership.

The Helsinki accords pledge the parties among other things to, and I quote:

> Gradually simplify and flexibly administer procedures for exit and entry, ease regulations concerning movement of citizens from other participating states, and endeavor gradually to lower where necessary fees for visas and official travel documents.

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Article 22 of the Convention on International Civil Aviation calls for greater facilitation on the part of governments to ease entry and exit, in international travel.

This concludes my summary statement, Mr. Chairman. And I will be happy to answer any questions you might have.

Senator PRESSLER. Thank you very much. Mr. Bush, the U.S. Travel Service currently operates a visitor assistance program at several U.S. ports of entry. How frequently do your personnel at these ports run into complaints from foreign travelers about either the visa system or the customs clearance procedures?

Mr. BUSH. We operate the service in 13 airports currently. I have visited probably five of them and have talked directly with the operators or the directors. They tell me that they receive frequent complaints about the visa system. I can say without hesitation it is a major problem.

Senator PRESSLER. Is it your view that the task would be made substantially easier if visa requirements were lifted for many foreign countries? And if so, do you have any way of quantifying the benefits in terms of increased tourism or dollars?

Mr. BUSH. As to the first part of that question, there is no doubt in my mind that the task would be made easier. Quantifying the benefits is more difficult. A preliminary list of the countries compiled by the State Department indicates that those countries represent 5 million visitors per year. If 10 percent more visitors came from those countries, it would mean an additional 500,000 visitors per year. With an average of $650 per visitor being spent in the United States today, you might expect about a $325 million increase. That is only an estimate.

Senator PRESSLER. Do you see any down side from your point of view, if we implemented this legislation? And I hope that we do this year. But from your point of view, what would be the down side? Do you think that we would have an increase in illegal immigrants?

Mr. BUSH. That would depend upon which countries are selected. There is only one down side I see, and it is a diplomatic one. Some countries would not qualify, and other countries would. And certainly the countries that would not qualify would not particularly appreciate the fact that they were singled out. That is about the only down side I can see.

As far as increasing the number of illegal aliens, I suppose there is some risk, but we are talking about countries where the rejection rate at our embassy or consulate is less than 2 percent. So I do not see that as a major problem.

Senator PRESSLER. I have some questions from Senator Cannon and staff here.

In your testimony you mentioned research done by USTS on the extent to which entry procedures inhibit foreign nationals from visiting the United States. You also mention your concern that this trend be monitored by Commerce, Justice, and OMB. I note that you failed to mention the Department of Transportation. Has USTS had any conversations with DOT? I believe that office has a role as interagency program coordinator in the area of facilitation and has issued programs with regard to facilitation.

Mr. BUSH. We have. That was an oversight on my part. I have copies of the studies, if you would like to have them for the record.

Senator PRESSLER. Maybe you could summarize it for the record. Is it a lengthy study? I don't think we can reprint the whole of it.

Mr. BUSH. They are lengthy because they are on a country by country basis.

Senator PRESSLER. Maybe staff could work together in getting the highlights, with your staff.

At one time there was an Interagency Committee on Aviation Facilitation and USTS was a member. Does that committee still exist? And if so, is USTS a member?

Mr. BUSH. Yes. And we are still a member.

Senator PRESSLER. How often do they meet?

Mr. BUSH. I believe it is three or four times a year.

Senator PRESSLER. One of USTS's functions is to attract international conventions to the United States. As I understand it, some international organizations, such as the Red Cross, seek advanced assurance that all delegates to the convention will be admitted by the host country. What effect do our visa requirements have on USTS's ability to secure these international conventions for the United States? If it is a problem, has USTS ever discussed it with the Department of State and Justice?

Mr. BUSH. We sponsor over 315 international congresses in the United States, 10 percent of the total. The visa requirement has impeded our ability to attract international congresses.

Senator PRESSLER. You have a followup question?

Mr. HARDY. Mr. Secretary, I am referring to the facilitation hearings before this committee in 1976. We went into this problem with the State Department at that time. There is a difference. What we are talking about, and I am reading from the Department of State testimony, Mr. Skully—"I think you may find that situations of that sort"—meaning groups like the International Red Cross—"which plan to hold its meetings abroad, they seek a guarantee from the host country that every person will be certified as a delegate—will be admitted who is certified as a delegate," and that is the problem the question was aimed at. The United States will not certify in advance that every delegate will be admitted to the United States. Therefore these conventions are not held in the United States. Has this requirement served as a deterrent? Have you found that to be the case?

I think that is a little different situation than the ordinary nonimmigrant visa. That is the thrust of the question. Have you explored that at all?

Mr. BUSH. I have not found this to be a problem so far.

Mr. HARDY. Have you discussed it?

Mr. BUSH. No.

Mr. HARDY. That's what we are driving at. We found in 1976 it was a deterrent.

Mr. BUSH. I might say an organization such as the International Red Cross has as members, countries which we do not even recognize diplomatically. And certainly individuals coming from those countries may have extreme difficulty.

Mr. HARDY. We are aware of that. But the thrust of the question is whether our inability to tell an international organization that

all of the members who are certified as delegates will be able to attend the convention is a deterrent to attracting this kind of convention business.

And the second part of the question is have you discussed that, that particular problem.

Mr. BUSH. No, I have not. But I would be happy to.

Senator PRESSLER. Maybe later today, if you wish, you could submit a statement and that would be true of all of the questions here, if people wish. I think the record can be open today for additional comments.

[The following information was subsequently received for the record:]

In general, the waiving of the visa requirement would improve opportunities for the U.S. to increase foreign attendance at congresses, trade shows or professional meetings. Similarly, facilitated entry would tend to enhance the United States as an international congress venue, assist foreign travel agents in "selling" the United States as an attractive and hospitable destination to visit and encourage more foreign citizens to buy United States travel services.

Clearly, the United States is losing convention business because of the visa requirement. In carrying out its mission to develop tourism to the United States, the USTS has encountered a number of instances in which existing visa requirements, regulations and processing procedures have either deterred or impeded inbound travel from abroad including conventions. The one special example cited during the hearings dealt with the International Red Cross which has declined on several occasions to meet in the United States because the State Department could not guarantee visas for all delegates. This special case is not addressed in the proposed legislation since some of the delegates might be from countries not excepted. However, in general the proposed legislation would help the international convention business.

Senator PRESSLER. Would you tell the committee about the gateway reception service program which USTS administers? That is part of what we discussed earlier, is it not, the gateway reception program?

Mr. BUSH. Yes. As I said, Mr. Chairman, we operate the gateway reception program in, currently, 13 cities. These are primarily students who work part time. There is a director at each city. They work usually during the peak arrival times in that city, and that would vary with individual localities.

Their job is to help customs and immigration officials with the processing of foreign visitors, to do translation. I believe we represent nationwide over 22 languages. Having talked to some of the customs, immigration officials, they find this service of immense help to them, and have encouraged us to continue it.

Senator PRESSLER. The State Department proposal provides for a visa waiver for 90 days with no renewal. Suppose someone from a qualifying country wanted to visit the United States for 6 months? Then they would have to obtain a visa; is that correct?

Mr. BUSH. Yes.

Senator PRESSLER. USTS compiles statistical data. Does the agency have any data to indicate the percentage of foreign visitors who stay more than 90 days?

Mr. BUSH. Yes. Our statistics indicate that the average length of stay is 26 days, and 6 percent stay more than 60 days.

Senator PRESSLER. Would you say that once more?

Mr. BUSH. The average length of stay is 26 days, currently; and 6 percent of incoming visitors stay more than 60 days.

[The statement follows:]

STATEMENT OF FREDERICK M. BUSH, ASSISTANT SECRETARY OF COMMERCE FOR TOURISM, U.S. DEPARTMENT OF COMMERCE

Mr. Chairman and members of the Committee, I am pleased to appear before you in support of legislation to amend the Immigration and Nationality Act to allow the waiver of certain nonimmigrant visa requirements. We strongly recommend enactment of this Amendment.

Under present law, nonimmigrant visas are required for all foreign nationals except nationals of Canada and the Bahamas and British nationals resident in Bermuda, the Cayman Islands and the Turks and Caicos Islands.

The proposed legislation would establish the authority to waive the visa requirement for any alien who is seeking admission to the United States for a period of not more than 90 days as a nonimmigrant visitor and who is a national of a foreign country which has a refusal rate of less than two percent for applicants seeking such admission and which extends or is prepared to extend reciprocal privileges to nationals of the United States.

The Department of Commerce has great interest in this legislation because the International Travel Act of 1961 directs the Secretary of Commerce to ". . . encourage the simplification, reduction, or elimination of barriers to travel and the facilitation of international travel generally."

For the following reasons the Department strongly favors visa waiver legislation which is of great importance to the business community in the United States, particularly to those providing services, transportation, and manufactured goods to temporary international visitors.

POTENTIAL FOR INCREASING TOURSIM

The United States Travel Service is actively promoting VISIT USA travel in a number of countries which would probably be affected by the proposal and which represent the most important potential overseas markets for tourism to the United States. Combined, these countries have accounted for approximately five million visitors to the United States in 1980 and foreign exchange earnings of roughly $3 billion.

Temporary international visitors contribute significantly to U.S. export earnings. For example, the 22.5 million international visitors in 1980 represented $12 billion in U.S. export earnings. Foreign tourism and foreign exchange earnings would be greatly enhanced by legislation authorizing the waiver of the visa requirements for nationals of these countries thereby eliminating the need for a double screening at the U.S. Embassy or consulate in the foreign country and at the U.S. port of entry for limited stays.

DRAWBACKS OF THE PRESENT SYSTEM

Significant numbers of both the foreign international travelers and the foreign travel agency sellers of travel to the United States consider the present nonimmigrant visa requirement an inhibitor of travel to the United States.

Research performed by and for the Department's United States Travel Service indicates that the anticipation of "difficult entry procedures and/or difficulty in obtaining a visa" inhibits foreign nationals from visiting the United States as tourists. Studies conducted in 1977 in five of the countries that will be affected show that an average of 13.6 percent of potential tourists to the U.S. interviewed anticipated they would encounter difficult entry procedures if they visited the United States. Studies conducted in 1977 in nine countries showed that an average of 10 percent of actual visitors to the U.S. felt that they had encountered difficult entry procedures or difficulty in obtaining a U.S. visa. The number of visitors reporting such difficulty ranged from a high of 25 percent for French visitors to a low of 4 percent for visitors from the Netherlands.

Each potential U.S. visitor deterred by visa requirements from traveling to the U.S. represents a loss of U.S. foreign exchange earnings of over $650.

Research and analysis of these trends in international travel requires complete and reliable statistical data. The Department of Commerce wishes to assure the continuation of statistical information necessary to produce valid estimates of travel receipts and expenditures in the balance of payments and gross national product accounts of the United States. We believe this can be accomplished by coordinated efforts of statisticians at Commerce, Justice, and OMB. The staff of the Bureau of Economic Analysis would be pleased to meet with the Committee's staff to discuss possible resolutions to statistical problems.

RECIPROCITY BENEFITS

Most western European countries eliminated the visa requirement for American and other tourist in the post World War II era. Despite this fact, the United States has not reciprocated and the overwhelming majority of visitors applying for admission to the U.S. from these countries qualify for entry. In a number of countries, including the United Kingdom, the visa application process inconveniences the potential visitor and creates negative publicity, frustration and ill will. The proposed legislation would demonstrate that the United States values and welcomes foreign tourism business and is willing to reciprocate in the area of visa requirements.

In the case of Japan, where visas are currently required for U.S. citizens, a U.S. indication of readiness to lift the visa requirement for their citizens may result in a reciprocal lifting of visa requirements for American citizens visiting Japan. Support for this action was presented in the Second Japan-Hawaii Tourism Conference, November 20–21, 1978, in the form of a resolution for "Eliminating Visa Requirements for Japan-U.S. Vistors, Both Ways, for Short-Term Tourists" which was subsequently adopted by the Japan-Hawaii Economic Council.

INTERNATIONAL COMMITMENT

The Department believes that visa waiver legislation is consistent with the tourism provisions of the Helsinki Accords, the Convention on International Civil Aviation and with the goals and objectives of the Organization for Economic Cooperation and Development and the World Tourism Organization in which the United States holds membership. The Helsinki Accords pledge the parties, among other things, to "gradually simplify and flexibly administer procedures for exit and entry", "ease regulations concerning movement of citizens from other participating states" and "endeavor gradually to lower, where necessary, fees for visas and official travel documents." Article 22 of the Convention on International Civil Aviation calls for greater facilitation on the part of governments to ease entry and exit in international travel.

SUMMARY

Based on all of the considerations mentioned above, the Department of Commerce strongly urges favorable action on the Administration proposal for visa waiver legislation, which is long overdue.

Mr. Chairman this concludes my prepared statement. I will be pleased to answer to the best of my ability any questions you or members of the Committee may have. Thank you.

Senator PRESSLER. Thank you. I have no further questions. We thank you very much. We look forward to working closely with you.

And now I call on Alan Nelson.

STATEMENT OF ALAN NELSON, DEPUTY COMMISSIONER, IMMIGRATION AND NATURALIZATION SERVICE, DEPARTMENT OF JUSTICE, ACCOMPANIED BY MARVIN GIBSON

Mr. NELSON. I am Deputy Commissioner of the Immigration and Naturalization Service, Department of Justice. Our prepared statement has been submitted to the committee, and we would submit it to you for the record. I will briefly summarize several of the remarks on behalf of the Department of Justice.

I would like to support and add our support to those other administration witnesses of the waiver of nonimmigrant visas requirements for the short-term tourist and business visitor from the designated low-risk countries. We are talking about reciprocal privileges. We are talking about a refusal rate of less than 2 percent. And of course we are talking about the 90-day requirement, short-term tourist/business visitors. We fully support this as a sound governmental approach, and one that should be enacted into law.

One of the questions that would come to the Department of Justice, and I believe it had been asked earlier by the Chairman or Senator Cannon, was the question of national security or other reasons for trying to exclude people. The provision in the bill that does give the Attorney General and Secretary of State, acting jointly, authority at their discretion, to refrain from extending the waiver to or withdrawing the waiver from any country upon their determination, we think satisfies the security concerns, and we would endorse that.

Also, as the bill provides, there is annual review of the rate of exclusion, and countries that exceed a 1 percent violation rate can be removed. We think that is added protection also.

Also, the bill provisions, we think, are sound. It would bar the change of any status of a person being admitted under the waiver provision, and of course, any violator would not again be able to obtain entry without a visa.

We believe the bill, as set forth—and would endorse the previous testimony—would eliminate a lot of paperwork, eliminating a step of the processing. The slide show seemed to reflect that very well. As indicated before, that would be an inducement to tourism, and it would extend a reciprocal courtesy to these countries. It would enhance our commitment as a nation to international travel.

You have posed several questions, Mr. Chairman, as to the Immigration Service inspections and enforcement operations. It is our opinion that the bill, if enacted, would not increase the workload of INS, to any appreciable degree. So we do not see any workload increase. There could be intermediate adjustment time with the carriers and with the Immigration Service, as we move into the new approach. But we do not see it as significant, and we do not anticipate any additional staffing or other resources.

We would anticipate, of course, working closely with the carriers, as the bill provides and as has been done in the past. And as it provides—the contractual agreement with the carrier—carrying on the assurances of insisting on the return tickets and those aspects that have been covered. We do not expect any additional enforcement resources should be necessary.

As discussed earlier, I believe, by the witnesses—since we are talking about countries of the nature we are talking about, with a low refusal rate—that the likelihood of either illegal immigration through this source or additional enforcement problems, we do not see as a problem under the bill.

As Ambassador Asencio discussed, there are existing statistics, and there are procedures underway for other, more automated statistics to enhance the control.

Mr. Chairman, that would conclude my prepared remarks. I would be happy to answer any of your questions.

Senator PRESSLER. Thank you very much.

Alan, I note you are still the designated Deputy Commissioner—we are going to have to speed up the process and get everybody confirmed.

Mr. NELSON. I have been appointed and sworn in. I am—the Attorney General's appointment, that has now been taken care of.

Senator PRESSLER. Some of us in the Senate are concerned that we speed up the whole process. We are still confirming ambassa-

dors and lots of assistant secretary-level people. That is another story. But it is almost a year into the new administration. By the time we get all of the paperwork done that is required these days, and everybody's financial past is bared, and so forth, it takes a while. That is a problem in the U.S. Government that we need a little Hoover Commission to study; how to get a new administration into office faster.

We are glad to have a person of your ability serving.

Let me ask—from your vantage point within the Justice Department, have you seen any signs of opposition by any U.S. security agencies to the State Department plan?

Mr. NELSON. Mr. Chairman, I think Ambassador Asencio's answer covered it. I would endorse his comments. I think that it has been discussed and worked out within the Department of Justice. I think any of the concerns of the enforcement agencies have been covered by the provisions enunciated for the Attorney General's and Secretary of State's ability to withdraw a country.

Senator PRESSLER. A question from Senator Cannon: Is there any information which is now elicited from visa applicants that is not or cannot be obtained by the Immigration Service when a visitor enters the United States.

In other words: Are State's standards for admission to the United States the same as INS?

Mr. NELSON. Yes; they are. I think it is clear that we are removing the visa application; we are not removing the requirement for admissibility to the United States. When the visitor does come to our shores, he still must go through the process of being checked for admissibility. And of course, a lot of that will be done by the forms, so we do not see any problem in that regard.

Senator PRESSLER. Are there many instances where a person with a valid visa is refused entry into the United States by Immigration officials?

Mr. NELSON. I am not aware of that as a problem, Mr. Chairman.

Mr. GIBSON. There most certainly are. Simply because a person has been issued a visa does not guarantee his admission to the United States. Before that visa is used, an applicant for admission's situation may change. The visa, of course, may well have been obtained under fraud.

Senator PRESSLER. We are hearing from Marvin Gibson.

That is very interesting, in the sense that there are many instances where this does occur.

Mr. Hardy, do you have any questions?

Mr. HARDY. I have no questions.

Senator PRESSLER. If you have additional comments that you think of during the day, you can submit them to staff and we can make them a part of the record.

Thank you very much.

Mr. NELSON. Thank you, Mr. Chairman.

[The statement follows:]

STATEMENT OF ALAN C. NELSON, DEPUTY COMMISSIONER, IMMIGRATION AND NATURALIZATION SERVICE, DEPARTMENT OF JUSTICE

Mr. Chairman, Members of the Committee, I am pleased to be here to lend the support of the Department of Justice to the proposals to authorize a waiver of the

non-immigrant visa requirement for short-term tourist and business visitors from designated "low risk" countries.

The requirement to present a non-immigrant visa for admission to the United States as a visitor for business or pleasure would be waived for nationals from certain designated low-risk countries. In order to qualify, the country must extend reciprocal provileges to United States citizens and have a non-immigrant visa refusal rate of less than 2 percent. The bill includes a special provision primarily for national security reasons, authorizing the Attorney General and the Secretary of State acting jointly, to refrain from extending the waiver to any country or to withdraw it at any time from a country to which it has been extended. Approximately 30 countries could presently qualify under these criteria as applied by the Department of State.

The bill further provides for annual review of the rate of exclusion and violation after admission. Any country which exceeds a 1 percent rate of violation would be removed from the list of qualifying countries.

The maximum period for which a visitor may be admitted under the bill is 90 days. There is a provision to bar change of status after entering the United States under this program. Furthermore, a visitor who violates conditions of admission may not again obtain entry without a visa.

We support these amendments for several reasons. First, the legislation will enable the Department of State to better utilize existing resources as a result of the elimination of one step of the present two-step screening process for the countries ultimately affected. Moreover, this simplification of the system may act as an inducement to tourism with the resulting increase to our balance of payments. Second, it presents an opportunity to extend a reciprocal courtesy to our friends aboard, some of whom have been according our citizens similar treatment for many years. Finally, it represents proof of our country's commitment to international travel, a commitment expressed in the Helsinki Accord. The Deprtment of State, will discuss the foreign policy and practical implications of this bill.

You are probably interested in what this means to INS operations, Inspections, and Enforcement specifically. With respect to Inspections, it should be pointed out that these amendments provide for a waiver of a non-immigrant visa, not a waiver of the requirement that each alien applying for admission to the United States be inspected to determine admissibility. We do not believe, at this time, additional staffing or resources for the INS will be required. Instead, the INS will work closely with the carrier to elicit the necessary information from the alien with respect to his or her admissibility. It should be noted that only aliens transported to the United States on carriers which have entered into a contractual agreement with INS will be eligible for the waiver. It is anticipated that among the contract's provisions will be the requirement that the carrier ensure that the alien was informed of the conditions of his admission. The carriers share our interest in the success of this program, and we expect their full cooperation. We do not expect there will be a need to devote any additional Enforcement resources to the control and location of aliens who are admitted with non-immigrant visa waivers inasmuch as aliens from the countries to which this special treatment would be extended should not in all likelihood pose a problem.

With respect to the provisions for suspension of the waiver, at this point we anticipate either relying on present statistics concerning enforced departures to calculate the rate of violation, or relying on an improved non-immigrant document control system, it would provide an additional incentive for carriers to cooperate in verifying departure, since failure to verify could result in suspension of the waiver.

Mr. Chairman, this concludes my prepared remarks on the bill. It will be happy to answer your questions.

Senator PRESSLER. Next we call on another good friend, William Toohey. If he would come forward. He is accompanied by Hugh Smith of American Express.

Following him, we will hear from Mr. Sherry, if he can hold on for that period of time.

STATEMENT OF WILLIAM TOOHEY, PRESIDENT, TRAVEL INDUSTRY ASSOCIATION OF AMERICA, ACCOMPANIED BY HUGH SMITH, VICE PRESIDENT FOR GOVERNMENTAL AFFAIRS, AMERICAN EXPRESS CO.

Mr. TOOHEY. Good morning, Mr. Chairman.

It is a pleasure and an honor to appear before you today, in support of visa waiver legislation. I am pleased to be accompanied by Mr. Hugh Smith, who is vice president for Government affairs of American Express, who has some interesting testimony to offer at the conclusion of my brief remarks.

I have a prepared statement on the subject of the hearings this morning, and with your permission, I would like to enter it into the record and excerpt from it this morning, in order to conserve time.

Senator PRESSLER. Without objection, it will be entered into the record.

Mr. TOOHEY. It is important to note at the outset that this visa waiver legislation has the universal support of the travel industry, and easing these restrictions on inbound tourists to the United States has long been supported by all components of the U.S. travel and tourism industry.

Inbound foreign travel plays a significant role in the contribution of tourism and travel to the national economy. Last year we hosted 22 million visitors from other countries, making 1980 the first year since World War II that more tourists arrived in the United States than departed from it. These travelers collectively spend approximately $20 billion in this country directly. And if you are including both direct and indirect expenditures, the figure rises to $28 billion.

Partially because of the decline in the value of the dollar, the U.S. travel deficit decreased from $2.4 to $1.7 billion. It is clear that we have not yet come close to realizing the massive potential of the foreign tourism market. While it is true that foreign tourism to the United States has increased, the Nation's share of the world tourism market has not.

Indeed, U.S. international tourism receipts have not only grown at a slower rate than world receipts—16 percent annually since 1976, as opposed to 20 percent worldwide—but our share of these receipts has actually declined—from 15.3 percent in 1976 to 13 percent in 1980.

Private sector efforts to promote inbound travel notwithstanding, this decrease is due in part to visa restrictions that actually discourage travel to the United States. These restrictions, in our view, are purposeless, burdensome, and costly, and have long ago outlived any legitimate purpose. They are, for all practical purposes, little more than harassment to many of our foreign visitors.

The procedure by which a foreign visitor gains entry to this country has not changed in more than half a century. In 1917, as a World War I security measure, an Executive order was issued requiring each foreign visitor to obtain a nonimmigramt visa from an American consulate. This procedure has survived and become part of immigration law, despite its obsolescence.

American visa issuances have increased 350 percent in the past 10 years. Refusal rates are low, necessarily representing only a superficial examination of foreign visitor credentials. It would seem clear that the interests of national security are hardly being served by these requirements.

Conversely, much public and private good—both economic and cultural—could be achieved by the relaxation of these restrictions.

It has been estimated by the Air Transport Association that visa waiver legislation would save the State Department 121 positions and $913,000 during fiscal year 1982, with full year savings of a possible $3.78 million.

Another major issue with respect to visa waiver is the question of reciprocity. A total of 80 countries do not require visas for U.S. travelers on short-term business or pleasure trips. Ironically, at least two countries— Brazil and Argentina—have recently imposed visa requirements on U.S. travelers to those countries. The implication may be drawn that these countries resented our restrictive visa laws and responded by instituting similar requirements.

Travel industry support for visa waiver legislation has been universal, yet despite the low incidence of U.S. visa violation and widespread visa waivers abroad, the United States has almost stubbornly resisted rectifying the international inequity. Support for visa waiver legislation has been particularly strong among the air carriers, as we have heard this morning, despite the threat of substantial penalties for even minor compliance infractions.

If we have any criticism of the instant proposal, it would be that these penalties are an unnecessary heavy burden on the carriers. We concur with the testimony offered by the Air Transport Association, that a more effective way of insuring compliance would be to terminate the contractual rights of frequently offending airlines to carry nonvisa passengers.

Easing our visa requirements would improve our international image and make it easier to sell our services, our products, our cities, our States, and regional destinations. Because we believe these restrictions should be eliminated for as many foreign visitors as possible, we strongly urge this committee to take all appropriate steps to insure enactment of such a visa waiver proposal.

It seems to be, Mr. Chairman, in the interest of the national tourism policy which, under your guidance, was recently unanimously passed by the U.S. Senate and is awaiting action now in Congress, to be signed by the President; visa waiver restrictions would complement the intent of this legislation.

Mr. Chairman, I am accompanied today by Mr. Hugh Smith, vice president for Government affairs, American Express Co. He will relate the results of a survey conducted by American Express, polling its travel officers in 17 of the countries which might benefit by the visa waiver proposal as set forth by the State Department.

On behalf of the U.S. travel and tourism industry, I wish to express my appreciation to you, Mr. Chairman, and to members of your subcommittee, for this opportunity to testify.

It is my pleasure now to present to you Mr. Hugh Smith.

[The statement follows:]

STATEMENT OF WILLIAM D. TOOHEY, PRESIDENT, TRAVEL INDUSTRY ASSOCIATION OF AMERICA

Mr. Chairman, and members of the Subcommittee, it is both a pleasure and an honor to appear before you today in support of visa waiver legislation such as that represented by H.R. 4514.

I am appearing in my capacity as president of the Travel Industry Association of America or TIA.

The Travel Industry Association of America fills a unique need in the travel industry that stems from the industry's own diverse nature.

Tourism in America is served by nearly a million different businesses that offer a wide range of services to the traveler. Some of these businesses are organized nationally by industry component and are represented by trade associations that promote and protect their specialized interests; however, to represent the broad base of tourism, the Travel Industry Association of America deals with matters of interest and concern common to all in the travel industry.

Its membership is drawn from airlines, attractions, hotels and motels, travel agents, tour operators and brokers, convention and visitors bureaus, State government travel offices, food service establishments, intercity bus and rail lines, and other components of the travel industry.

TIA's purpose is to benefit the travel industry as a whole, through unifying its goals and coordinating private industry efforts to encourage and promote travel within and to the United States. In recent years, the association has substantially increased its involvement in Government actions that affect tourism, and in support of research that is vital to the concerns of the industry. By working together to seek common goals, travel industry associations and businesses have increased recognition by Government officials of the importance of tourism and have unified the industry on many of the issues it faces. Visa waiver legislation is but one of these issues.

The travel and tourism industry is currently the third largest retail industry in the United States, exceeded only by the food and automotive industries. It directly employs 4.5 million Americans at every level of skill and indirectly provides another 2.2 million supporting jobs. The industry components of TIA alone employ approximately 1.4 million American workers. The industry generates approximately $27 billion a year in wages and other compensation and $18 billion per year in federal, state and local tax revenues. Travel provides large numbers of entry-level positions and a substantial portion of these jobs are filled by minorities, youth and women. At a time when the service sector of our economy accounts for the greatest employment growth, travel is one of the most labor-intensive service industries and employs those who most need jobs and traditionally have the most difficulty finding them.

I cite these figures in order to convey some understanding of the great breadth and scope of our industry and its importance to a healthy economy and full employment.

Inbound foreign travel plays a significant role in the contribution of tourism and travel to the National economy. Last year 22 million foreigners visited the U.S., thus making 1980 the first year since World War II that more tourists arrived in the United States than departed from it. These travelers spent approximately $12 billion while in this country, thus making a significant contribution toward offsetting our sizeable balance of payments deficit. The international Trade Administration of the Commerce Department estimates the direct and indirect contribution of foreign tourism to be about $28 billion. Partially because of the decline in the value of the dollar, the U.S. travel deficit decreased from 2.4 to 1.7 billion, but it is clear that we have not yet come close to realizing the massive potential of the foreign tourism market.

While it is true that foreign tourism to the U.S. has increased, the nation's share of the world tourism market has not. Indeed, U.S. international tourism receipts have not only grown at a slower rate than world receipts, 16 percent annually since 1976 as opposed to 20 percent annually worldwide, but our share of these receipts has actually declined—from 15.3 percent in 1976 to 13 percent in 1980. Private sector efforts to promote inbound travel notwithstanding, this decrease is due in large part to visa restrictions that actually discourage travel to the U.S. These restrictions are purposeless, burdensome and costly and have long ago outlived any legitimate purpose. They are, for all practical purposes, little more than a harassment to our foreign visitors.

The procedure by which a foreign visitor gains entry to this country has not changed in more than half a century. In 1917, as a World War I security measure, an Executive Order was issued requiring each foreign visitor to obtain a nonimmigrant visa from an American consulate. This procedure has survived and become a part of immigration laws despite it obsolescence.

American visa issuances have increased 350 percent in ten years. Refusal rates are low, necessarily representing only a superficial examination of foreign visitor credentials. It would thus seem clear that the interests of national security are hardly served by these requirements. National security concerns seem particularly groundless in view of the fact that visa waiver coverage is currently extended to Canada (as well as certain Caribbean islands). Canada waived visa requirements for a number of countries ten years ago. A national security risk is thus not prevented by a mandatory visa from gaining entry through a U.S.-Canadian border point. If,

for the most part, the visa interview process has become little more than a perfunctory exercise, what purpose is served by these laws—which are among the most restrictive in the world.

Conversely, much public and private good, both economic and cultural, could be achieved by the relaxation of these restrictions. In addition to the obvious benefits to the travel industry, American jobs will be created, tax revenues will increase and the balance of trade deficit will decrease. More foreign importers will be encouraged to come to the U.S. to purchase U.S. products, services and franchises Foreign employees of American firms abroad could more readily attend seminars, conferences and technical or sales meetings. Moreover, it has been estimated by the Air Transport Association that visas waiver legislation would save the State Department 121 positions and $913,000 during fiscal year 1982, with full year savings a possible $3.78 million.

Another major issue with respect to visa waiver is the question of reciprocity. A total of eighty countries do not require visas for U.S. travelers on short-term business or pleasure trips. Ironically, at least two countries, Brazil and Argentina, have recently imposed visa requirements on U.S. travelers to those countries. The implication may be drawn that these countries resented our restrictive visa laws and responded by instituting similar requirements. Nevertheless, we are optimistic that upon passage of visa waiver legislation, Brazil and Argentina will consider repealing their restrictions. Citizens of some neighboring nations, Western Europe and other designated countries are fully justified in expecting to be treated as they treat American visitors to their countries. The procedures to which we presently adhere, by nature suggest an unfriendly attitude and engender feelings of suspicion.

This legislation, which would require the purchase of a roundtrip, nonrefundable ticket, completion of an INS form, and routine namechecks at the port of entry, would play an integral part in the public and private effort to attract more foreign visitors to our shores. We have always encouraged tourism from abroad, not merely for balance of payments purposes but because we are confident that exposure to our country and our way of life will win us friends and allies.

Travel industry support for visa waiver legislation has been universal, yet despite the low incidence of U.S. visa violation and widespread visa waiver abroad, the U.S. has aimost stubbornly resisted rectifying this international inequity. In 1968 a Presidential Commission advocated the easing of visa requirements, as did the National Tourism Resources Review Commission in the early 1970s. The Helsinki Accord stated that the participants intend ". . . to simplify and to administer flexibly the procedures for exit and entry," and "to ease regulations concerning movement of citizens from the other participating states . . ." In March 1981, the final report of the Select Commission on Immigration and Refugee Policy recommended "that visas be waived for tourists and business travelers from selected countries who visit the United States for short periods of time."

Support for visa waiver legislation has been particularly strong among the air carriers, despite the threat of substantial penalties for even minor compliance infractions. If we have any criticism of the instant proposal it would be that these penalties are an unnecessarily heavy burden on the carriers. We concur with the Air Transport Association that a more effective way of ensuring compliance would be to terminate the contractual right of frequently offending airlines to carry non-visa passengers. This would serve both the interest of our government in securing compliance and the airlines' interest in fiscally responsible enforcement.

It is clear that the visa obstacle acts as a deterrent to inbound travel from overseas. Executives of tourism industry components have conducted systematic surveys on the adverse effect of visa barriers. These combined with varied industry experience with such matters point to a definite deterrence that the federal government can and should eliminate so that that the U.S. tourism industry can compete more effectively in the world market. Easing of these requirements would improve our international image and make it easier to sell our services, products and vacation areas. Because we believe these restrictions should be eliminated for as many foreign visitors as possible, we strongly urge this Subcommittee to take all appropriate steps to ensure enactment of such a visa waiver proposal.

I am accompanied today by Hugh Smith, Vice President for Government Affairs for the American Express Company. He will relate to the Committee the results of a survey conducted by American Express, polling its travel officers in seventeen of the countries which might benefit by the visa waiver proposal set forth by the State Department.

It is my pleasure to present Hugh Smith whose remarks will follow mine.

On behalf of the U.S. travel and tourism industry, I wish to express my appreciation to the Chairman and the Subcommittee for this opportunity to testify. I would be happy to answer any questions you may have, or assist you at any time.

Mr. SMITH. Thank you, Bill.

Mr. Chairman, I have a statement that I would like to submit in full. I will try to summarize it, in the interest of time. It also attaches the survey that Bill referred to, that we did of some of our travel people in some of the potentially affected countries.

We join with the entire tourism industry in supporting the very timely move to relax, on a selected basis, the visa issuance standards.

During 1980, our company alone brought approximately 250,000 visitors to the United States. Needless to say, therefore facilitating travel to the United States is of great interest to us. Unlike some other multinational companies which deal largely in manufactured goods, our business is built on what are commonly called invisible exports or services. Travel is one of these invisible exports, because every visitor who comes to the United States spends money here and thus contributed to the inflow of funds into the American economy.

There is a question which we really have not addressed directly this morning, relating to the overall question of protectionism and restraint of trade. It is certainly applied to the travel industry since, as I explained a few moments ago, tourism is an invisible export. It is also a question with which we are familiar, as a multinational service corporation in other areas. We see it every day, in every one of our businesses, in most of the countries in which we operate.

Other countries have erected and continue to expand service sector trade barriers, ranging from discriminatory licensing to employee restriction, to regulation and prohibition on advertisements. These barriers present a formidable challenge to the American companies such as American Express, a challenge which the United States is currently trying to meet through accepted negotiation procedures.

While we complain about other countries erecting barriers, I believe that in this particular instance the United States is not without fault. Our current visa requirements are among the most restrictive in the world. They are a form of protectionism.

We certainly understand the need for a reasonable degree of protection, not only in the travel industry, but our visa requirements go beyond the point of being good and sensible safeguards; they function instead as impediments to our economic growth and good political relations abroad. This protectionism loses its value when the harm outweighs the benefits that it produces.

A word about the survey which we conducted a year and one-half ago, in an effort—every argument for and against relaxation of the visa requirements has almost, of necessity, been based on gut reaction. In an effort to develop numbers of our own, we polled our travel offices in 17 of the countries which potentially could qualify for visa waiver.

On the average, our travel professionals in those countries projected an increase of more than 7 percent in foreign visitors from those countries surveyed. Now, to translate that into usable statistics—and again, these are old figures, because the survey was run about a year and one-half ago—during 1978, there were more than

3½ million visitors that came to the United States from those 17 countries.

If a visa waiver had been available for 1979, the 7 percent projected increase would have been above and beyond the expected growth of normally 20 percent, and would have resulted in an incremental gain of about 317,000 visitors from those 17 countries alone. Translated into money, that would have meant approximately $130 million additional inflow into the U.S. economy, and would have meant 4,300 new jobs.

Now, this kind of projection is an educated guess. They were made by seasoned travel professionals who live and work in the markets about which we are talking. They know the people, the attitudes, and they know the travel business. We really believe that their projections are conservative. Other estimates range as high as 20 percent with, again, an incremental benefit—if you accept those higher projections.

So given this opportunity. We applaud your efforts in and support on this legislation.

[The statement follows:]

STATEMENT OF HUGH H. SMITH, SENIOR VICE PRESIDENT FOR GOVERNMENT AFFAIRS, AMERICAN EXPRESS CO.

Thank you Mr. Chairman. My name is Hugh H. Smith and I am Senior Vice President for Government Affairs of the American Express Company.

The American Express Company appreciates the opportunity to submit this testimony concerning the proposal to relax current standards for issuance of nonimmigrant visas. American Express believes that the time is right for selective relaxation of visa issuance standards. This proposal is good foreign policy and good domestic economic policy.

The American Express Travel Division is one of the most visible of our businesses, providing travel and financial services throughout the world to our cardmembers and to other travelers. We currently have more than one thousand owned and representative retail travel offices operating in 126 countries around the world. During 1980, we brought approximately 250,000 foreign visitors to the United States. That figure includes sales of Amexco tour products by both our own offices and independent retail travel offices, and sales in our offices of other-company tours and independent travelers. Needless to say, facilitating travel to the U.S. is of great interest to American Express.

Unlike some other multinational companies which deal largely in manufactured goods, our business is built on what are commonly called "invisible" exports, or services. Travel is one such invisible export, because every visitor who comes to the United States spends money here and thus contributes to the inflow of funds into the American economy.

Last year, more than 22 million travelers came to our country. Studies have shown that the average expenditure per visitor is about $416. Thus, those tourists contributed more than $9 billion to the positive side of our balance of payments ledger. According to Commerce Department figures, just $29,000 in spending in the travel and tourism sector creates one new job in tourism industries such as restaurants, hotels, etc. Thus, those foreign visitors helped to create and sustain more than 175,000 jobs for Americans. And, because the travel industry is traditionally a high employer of women and minorities, those jobs went to the Americans who are most in need of work.

During 1980, the U.S. travel deficit was $1.7 billion. While that was a decrease from 1979 level of $2.4 billion, it is still a very large deficit. That decrease was perhaps one of the few good results of the decline in the value of the dollar, making the U.S. more affordable for foreign visitors. Although the dollar has strengthened somewhat, we believe the U.S. remains an attractive destination for foreign citizens. Because of the very positive impact those foreign visitors make on our economy, we should welcome them with open arms.

These figures serve to underline the importance of inbound travel to the U.S. economy. And, to suggest that any reasonable action which can be taken to increase the number of visitors to this country should be seriously considered. A case in point is the issue of nonimmigrant visa waiver.

American Express fully supports the Reagan Administration, and travel industry trade groups in their efforts to have U.S. visa requirements relaxed on a careful, selective basis.

Over the past fifteen years, the visa waiver issue has come up again and again. Proponents of visa waiver believe that such action would eliminate an unnecessary and increasingly expensive formality while at the same time facilitate travel to the United States by foreign citizens.

Unfortunately, arguments both for and against relaxation of visa requirements have, almost out of necessity, been based more on gut reaction than systematic analysis. No one can ever say for sure how many people might have done something if certain constraints were lifted. Concerning the potential increase in travelers to the U.S. resulting from visa waiver, for example, estimates have ranged from a few hundred thousand to two or three million.

American Express is concerned with the lack of consistent and reliable information concerning the possible impact of relaxed visa requirements. Therefore, in an effort to develop numbers of our own, we polled our travel offices in seventeen of the countries which potentially, could qualify for visa waiver, under the guidelines outlined in the State Department proposal. Attached is the survey American Express conducted in March, 1980.

There was a strong feeling on the part of our travel managers abroad that relaxing visa requirements would result in increased travel to the U.S. The figures in this statement were drawn from that survey. On the average, our travel professionals projected an increase of more than 7 percent in foreign visitors from those countries surveyed. Let us translate that 7 percent into usable statistics. During 1978, more than 3.5 million visitors came to the U.S. from those seventeen countries. If visa waiver had been available for the following year, 1979, the 7 percent projected increase would have been above and beyond the expected growth from 1978 to 1979 of about 20 percent, resulting in an incremental gain of about 317,000 visitors from those seventeen countries alone. Such an increase in foreign travelers would have meant approximately $130,000,000 additional revenues and 4,300 new jobs.

This kind of projection is at best an educated guess. However, these projections were made by seasonal travel professionals who live and work in the markets about which we pooled them. They know the people and, more importantly, they know the travel business. American Express considers their projections to be conservative estimates. Other estimates range as high as a 20 percent increase. Any way you look at it, it is a plus for the U.S.—increased spending and increased jobs.

The potential for increased visitors to the U.S. is a major reason for American Express' support of a visa waiver provision. There are other reasons as well, not based so strongly on economics as this first. Our managers overseas repeated again and again the importance of the public relations aspect of waiving visa requirements.

This reform would eliminate an unnecessary irritant for visitors. In 1976, the United States Travel Service of the Department of Commerce commissioned a study of the international travel market. Data was granted on a country-by-country basis to better understand foreigners' travel habits and patterns. One conclusion, highly relevant to this visa waiver legislation, was that obtaining a U.S. visa was cited as a major difficulty by 11 percent of the West Germans, by 10 percent of the British, by 25 percent of the French, and by 15 percent of the Japanese visiting this country.

The case of Italy is illustrative. In Italy, obtaining a visa is a logistical problem which often requires personal visits because of the extremely poor postal service. Our managers in that country felt that waiving visa requirements would eliminate a source of resentment for the Italian traveler. The goodwill generated would, we believe, result in a substantial increase in visitors to the U.S.

The obverse situation also pertains. Within the recent past, Brazil and Argentina have imposed visa requirements on U.S. citizens who wish to visit their countries. Officially termed "reciprocity" based on the stringent U.S. visa requirements, this kind of action can also be seen as "retaliation" against the U.S. or our restrictive attitude.

The question of protectionism and restraint of trade certainly applies to the travel industry since, as explained earlier, tourism is an invisible export. It is also a question with which we, as a multinational service corporation, are all too familiar. We see it every day, in every one of our businesses, in most of the countries in which we operate. Other countries have erected and continue to expand service sector trade barriers ranging from discriminatory licensing to employee restriction to regulation of and prohibitions on advertisements. Such barriers present a formidable challenge to American companies such as American Express, a challenge which the United States is trying to meet through accepted negotiation procedures.

While it is true "other countries" erect barriers to trade, the United States is not without fault in this area. Our current visa requirements are among the most restrictive in the world. They are a form of protectionism. We certainly understand the need for a reasonable degree of protection, and not only in the travel industry. But our visa requirements go beyond the point of being good and sensible safeguards and function, instead, as impediments to our economic growth and good political relations. Such protectionism loses its value when the harm it does outweighs the benefits it is thought to produce.

We understand that the opposition to this measure lies in the fear that efforts to deter terrorism and illegal aliens coming to the United States would be hampered by dropping the visa requirement from such countries as the UK, France and Germany. We cannot testify to this point for we do not have the expertise to make this kind of value judgment. We would only observed that in the same countries were acts of terror have occurred, such as in Germany and the UK, those governments apparently have adopted other means to combat those problems. What we can testify to is that, as a very large worldwide travel agent, the reciprocal dropping of visa requirements should result in more travel to this country and an increase in the major benefits that such inbound traffic brings.

Thank you.

ATTACHMENT

RESULTS OF AMERICAN EXPRESS SURVEY OF THE ESTIMATED IMPACT IN 17 SELECTED OVERSEAS COUNTRIES OF WAIVING U.S. VISAS FOR TOURISTS

Cables were sent early in March 1980 to key American Express travel representatives in 17 overseas countries asking them for their best estimates of the impact on foreign travel to the United States from their market areas if U.S. visa requirements for non-immigrant visitors (tourists) were waived.

Replies received indicated an average increase of 7.4 percent in foreign tourism to the United States—or 265,017 additional visitors—from this world-wide sample of 17 tourism-generating countries. The findings are based on 1978 statistics, as 1979 data is still incomplete on inbound tourism to the U.S.

Preliminary estimates of overseas travel to the United States last year show an overall increase of 20 percent. Projecting this rate of increase to the 17 countries in the current American Express survey, the average 7.4 percent gain estimated to accrue from waiving U.S. visas for travelers from these areas would amount to 316,521 new visitors.

A foreign tourist in the United States spends, in addition to his transportation on U.S. carriers to arrive here, an average of $416. Thus 316,521 new visitors generated from these 17 countries by U.S. visa waivers would also generate an additional $131,672,736 in tourist revenues, a significant increment for the national economy and for the U.S. balance of payments. Furthermore, there would be increased earnings from their transportation on U.S. carriers.

There were 6,900,000 overseas visitors overall to the U.S. during 1979. A 7.4 percent increase in their volume due to waiving U.S. visas would amount to 510,600 more foreign tourist, or an added gain of $212,409,600 in travel revenues that would support 7,324 more travel jobs in the U.S. Industry.

The country by country data developed by this current American Express survey is worth analysis not only for the statistics, but for the impact waiving U.S. visas would apparently have on local attitudes toward the U.S. in many countries.

First, a brief look at the statistical data, based on 1978 travel volume.

County	Visitors to United States	Percent increase in traffic if U.S. visas waived	Gain in traffic to United States
Austria	32,658	5	1,633
Belgium	61,492	5	3,075
Brazil	88,302	1	883
Denmark	43,115	5	2,156
France	259,818	5	12,991
Ireland	42,949	1	429
Italy	153,002	15	22,950
Japan	886,447	1	8,864
Morocco	3,601	1	36
Netherlands	141,021	5	7,051
New Zealand	83,479	7	5,843
Sweden	98,515	5	4,926

County	Visitors to United States	Percent increase in traffic if U.S. visas waived	Gain in traffic to United States
Switzerland	122,178	5	6,109
Tunisia	997	[1] 1	[1] 4
United Kingdom	757,127	10	75,713
Venezuela	303,948	[1] 5	[1] 15,197
West Germany	485,784	20	97,157
Total	3,564,433	[2] 7.4	265,017

[1] New York headquarters estimate as no cabled data received.
[2] Averaged.

There was a general feeling in all countries that the decision of the U.S. government to waive its visa requirements for foreign visitors would have a very positive effect on public opinion, and even official attitudes, in all the countries affected by the decisions.

It was assumed, for example, that West Germany would respond in tourism increases to the U.S. primarily because of the good will generated by the U.S. waiving of visas. West Germans today can go practically anywhere without visas. Such a visa policy toward the Federal Republic by the U.S. would be perceived as removing a major barrier to full acceptance of W. Germany into the western community of nations.

It was assumed that Brazil, which has no real problems in getting U.S. visas, would be so pleased that the government would probably repeal its recent decision to require visas for U.S. citizens because of resentment at the requirement of U.S. visas for Brazilians. This has been a long-standing and vexatious issue with Brazil, which has regarded U.S. visas as a form of discrimination against a neighbor. Otherwise it would probably not significantly increase Brazilian tourism to the U.S.

While Morocco for similar reasons would appreciate the waiver of U.S. visas it would not have any real influence on travel to the U.S. because of current stringent controls on foreign currency purchases for foreign travel anywhere.

Obtaining a U.S. visa in France is a cumbersome, time-consuming inconvenience, an aggravating nuisance widely resented by the French. Eliminating the requirement for a U.S. visa would be welcome at a time when the French are travelling abroad more than ever.

Interestingly enough the response in the United Kingdom would be very positive, generating good-will and an increase of at least 10 percent in personal tourism. There are no serious problems or deterrents to tourism as a result of visa difficulties, but the idea of the visa as an impairment of the freedom to travel is strongly felt in Britain. Thus the good will would be ideological as well as practical in the sense of getting rid of a nuisance.

In Italy obtaining a visa is a vexing exercise requiring personal appearances chiefly because the mails are so uncertain and insecure. Waving U.S. visas would ease an Italian sense of resentment and discrimination and generate a great deal of good-will which would in turn stimulate a substantial increase in tourism.

Similar psychological benefits would occur in Denmark and lead to a marked thrust in tourism to the U.S. if visas were waived.

The conditions in Australia would also be responsive. Because of historic reasons based on Australia's concern to protect its large open spaces from the population pressures of the Orient, the huge island continent has had very restrictive immigration policies. It requires visas of U.S. citizens and return tickets. It might waive visas for U.S. citizens if we waived visas for Australians, but even if that development is delayed, a U.S. decision to waive its own visa requirements would very probably stimulate tourism to the U.S. substantially.

Two general themes ran through the comments from the 17 countries surveyed: (1) The travel industry would welcome being relieved of the need to obtain visas for its clients so that they could concentrate more efforts on promoting and selling travel; and (2) Visas at best are either a nuisance, an aggravation, a real bother, or an obstacle to travel and provide no real benefits to the U.S. in the modern age of world travel.

Sweden made an interesting point on the requirement to provide proof of adequate funds for a 90 day visit to the U.S. if visas are waived. It was felt this would be a hard condition for student travelers to meet since students often tend to travel with very limited funds, hoping to live at least a little off the land, so to speak, during their journeys. Sweden thought this might be a bit of a problem, but primarily raised it as something to think about. Still they saw an encouraging and substantial propect for travel growth to the U.S. when visas are waived.

Senator PRESSLER. Thank you. There is a vote on the Senate floor. I have to walk over. It will take me about 5 minutes. I will vote and come right back. So if you will stay right there, the subcommittee will be in recess for about 5 minutes, until I can return.

[Recess.]

Senator PRESSLER. I will call the hearing back to order. I am not that fast. I did not make it all the way over and back. It was not a vote. This clock up here is broken, and it had one light on, which is a sign of a vote, but it was not.

We thank you for your testimony.

Bill, if you were able to make any changes to the program outlined here today by the State Department, what would those changes be?

Mr. TOOHEY. In reading the legislation, proposed legislation, Mr. Chairman, I think that in listening to the testimony this morning, I think it really answers the problems that we have experienced in the past with similar efforts to ease these requirements. The only part of it that causes a problem for me is the rather onerous burden that is placed on the airlines in terms of the penalties proposed. And I think that that could be eased, as has been stated this morning.

Senator PRESSLER. I know both of you know quite a bit about the history of efforts to have programs similar to this implemented. Obviously, these efforts have not been successful in the past. Do you feel our situation is different this time and perhaps more favorable? I certainly hope it is. I do not know what the stumbling block will be. I guess you have worked on this effort for a number of years, haven't you?

Mr. TOOHEY. I have, Senator, and actually why the tourism industry has always been fully supportive of easing visa requirements and while the subcommittees handling tourism matters has had the same attitude, there have always been difficulties in other divisions of the executive branch and within Congress itself, other problems that related not so much to visitors but other types of attempted entry to the country.

I think really a lot of work has been done on this proposal to make it acceptable to those other areas of Government that have found past proposals unacceptable. So I share your encouragement and your enthusiasm about the possibility of this particular proposal.

Senator PRESSLER. Hugh Smith, you gave us a good number of 7 percent that would be the increase in tourism according to American Express' estimations. Has the percentage growth of international tourism to the United States kept pace with the percentage growth of international tourism worldwide?

Mr. SMITH. It is my understanding that it has not. There may be a number of reasons why there has been a deficit, if you will, in the growth in U.S. tourism. Until recently, perhaps the exchange rates were partially responsible, but we do believe that certainly the difference is made up in part by the existence of a very stringent visa requirement that we continue to impose.

Mr. TOOHEY. It might be interesting to note that the study conducted by the U.S. Travel Data Centers indicated that the national

tourism receipts have not only grown slower than worldwide receipts, 16 percent versus 20 percent, but our share of market has declined from 15.3 percent to 13 percent.

Senator PRESSLER. We thank you both. You both have been in this business for a long time. You worked hard on this. I am determined we are going to get this legislation through this year.

Does Senator Cannon have any further questions? Do you have a comment?

Mr. HARDY. No.

Senator PRESSLER. We thank you very much.

Mr. TOOHEY. Thank you, Mr. Chairman.

Mr. SMITH. Thank you.

Senator PRESSLER. Now I will call on E. C. Sherry, head of the International Association of Convention & Visitors Bureaus. He is not listed as a witness, but he is very much a witness. He is last but not least.

STATEMENT OF E. C. SHERRY, PRESIDENT, INTERNATIONAL ASSOCIATION OF CONVENTION & VISITORS BUREAUS

Mr. SHERRY. Good morning. I appreciate on short notice the opportunity to come here this morning and make a brief statement in support of the amendment to this legislation.

My name is E. C. Sherry. I am president of the Denver and Colorado Convention & Visitors Bureau. I also currently serve as president of the International Association of Convention & Visitors Bureaus.

It is in my capacity as president of IACVB that I appear before you today. Our 68-year-old organization is composed of 163 convention and visitor bureaus in the United States and 13 other countries. We are holding our quarterly board of directors meeting here in Washington this week.

Our member bureaus will spend $206 million this year to bring conventions and visitors to their cities. Of the $157 billion tourism industry in the United States, 42.2 million convention delegates will attend 91,000 meetings. They will spend $13 billion in the convention cities while attending those meetings. An ever increasing number of attendees come from foreign countries.

In addition, many of our member bureaus have developed marketing programs aimed at attracting tourists from abroad.

The legislation you are considering can only help to enhance the marketing efforts of these bureaus. It is with this fact in mind that our board of directors voted unanimously to endorse the effort to facilitate entry into the United States for our friends and neighbors from abroad. We work to encourage the free interchange of ideas and communication through attendance at conventions and congresses.

It is important that the people we invite to the United States feel welcome. From a practical standpoint, of course, this helps our economic effort regarding our balance of payments, and it helps keep the 6.7 million Americans in the tourism industry gainfully employed.

On behalf of IACVB and in cooperation with Mr. Toohey and TIA, let me say again that I appreciate the opportunity to appear before you today and express the support of IACVB.

Senator PRESSLER. I thank you for being here. Did you hear our earlier discussion about the Red Cross convention and things like that?

Mr. SHERRY. I did, Senator, yes.

Senator PRESSLER. Do you have any expansion on that?

Mr. SHERRY. I cannot help but feel that it has to be a deterrent for attendance at these meetings. I think this will be a great asset in encouraging more international meetings to come to the United States. I have particularly focused on the convention and congresses, even though our convention bureaus were equally interested in the total tourism picture.

Senator PRESSLER. John, you have a question. Go ahead.

Mr. HARDY. Senator. I was just going to observe, has USTS ever talked to the IACVB about this problem and attempted to take an initiative with the State Department?

Mr. SHERRY. At our recent convention in Minneapolis in July, Mr. Bush attended and spoke to the delegation assembled to alert us to some of the activities of his organization as far as a dialog of how to go about to accomplish this. I would have to say that I am not aware of any such thing.

Senator PRESSLER. Have you ever encountered a situation where the United States lost convention business because of our visa policies that you specifically knew about?

Mr. SHERRY. I cannot say that I have, Senator, no.

Senator PRESSLER. There probably has been, but it is hard to prove.

Mr. SHERRY. I'm sure there has been.

Senator PRESSLER. Well, we thank you for coming, Mr. Sherry, and we have your comments, and if you have further comments that you wish to add later, we will put them in the record. We thank you for your work here, and I am going to use your testimony and all the testimony. Senators Cannon and Exon and I and others are going to have a meeting with Senator Thurmond to accelerate handling of this legislation, and we are going to use the testimony that you have given this morning in that meeting.

So it is a very valuable and useful thing. I thank you very much.

Mr. SHERRY. Thank you for inviting me.

Senator PRESSLER. The hearing is drawing to a close. We will now stand in adjournment.

[Whereupon, at 11:22 a.m., the hearing was adjourned.]

ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

Statement of the American Hotel and Motel Association

We are the American Hotel & Motel Association which is a federation of hotel and motel associations located in the fifty states, the District of Columbia, Puerto Rico and the Virgin Islands, having a membership in excess of 7,500 hotels and motels accounting for over one million rentable rooms.

AH&MA welcomes the opportunity to support visa waiver legislation and applauds the Subcommittee for holding these hearings.

International tourism is a vital and growing business. The World Tourism Organization has noted that international tourism is a $100 billion business. America, the land most overseas visitors would like to see receives approximately 10 percent of that business.

It is our view that visa waiver legislation coupled with a more dynamic federal promotional role will result in greater numbers of overseas visitors.

At the moment, it is obvious that our nation's export picture must be improved. One sure way would be greater encouragement of international travel. Congress has been made aware, through this Subcommittee, that tourism is the nation's fourth largest earner of foreign currency. Last year, over 22 million visitors spent in the neighborhood of $12 billion. This money, while important in itself, was also responsible for creating over 300,000 jobs.

AH&MA, through its Marketing and International Travel Committees, has been working to better educate its members about the importance of the international visitor business. We have been holding seminars throughout the country and have been publishing materials aimed at assisting hoteliers about the needs of foreign visitors. This exercise has inevitably led us to conclude that present visitor visa requirements are unnecessarily burdensome and counter productive. As a business whose cornerstone is "hospitality", we have been dismayed in the past over our government's attitude in welcoming international visitors.

It is with a great deal of pleasure that we note the current Administration's desire to waive visas for business and pleasure travelers from selected countries coming for short stays. This is a step in the right direction, and as we noted at the outset, has our full support.

Enactment of visa waiver legislation is also consistent with the recommendations made by the Select Commission on Immigration and Refugee Policy, issued last spring.

Statement of John D. Bellinger, Chairman, Japan-Hawaii Economic Council

My name is John D. Bellinger, co-chairman of the Japan-Hawaii Economic Council, an organization of senior business leaders of Japan and Hawaii founded to foster better economic relations between Japan and Hawaii.

I want to thank you for this opportunity to present testimony in support of the waiver of visa requirements for short-term visitors to the United States.

We are the first organization in Hawaii to take a public stand in favor of visa waivers, presenting supporting resolutions at the Council's meetings in November, 1978, and again in 1979.

A. BRIEF GENERAL HISTORICAL BACKGROUND

The present American law requiring short-term visitors for pleasure or business to our shores to first obtain entry visas, has its origin stemming from World War I as a security measure. The visa requirement was to serve as a pre-screening process in order to ensure that foreign nationals who might pose a threat to the security of the United States were denied entry.

Up until World War II, the United States visa requirements did not appear to impose any major administrative burden on either foreign visitors to the United States or upon the American consuls stationed abroad in that the numbers of foreign visitors to the United States were relatively small.

Following World War II (and especially with the advent of relatively low cost, high passenger capacity jet air transportation), there was a virtual explosion in tourist visitors not only to the United States but also to many other countries as well. This tremendous growth has rendered the visa requirement as virtually obsolete, causing some 35 other countries to require no visitor visas from American tourists. Ironically, most of these countries dropped their visa requirements at the urging of the United States after World War II to accommodate the tremendous numbers of American tourists abroad.

The move to drop our visa requirements for short-term visitors is not a new one. Indeed, some 13 years ago, the late then President Lyndon B. Johnson's Industry-Government Special Task Force On Travel stated in part that, "Present entry procedures for vacation and business visitors to the United States are outmoded. They serve only to project an adverse image of this nation's willingness to receive foreign guests." It appears that the position of each succeeding administration, including the present one, has generally been in accord with this earlier finding and various moves, albeit unsuccessful, have been made to liberalize travel opportunities to America.

B. CURRENT STATUTORY REQUIREMENT

Section 2, Section 212(d)(4)(B), of the Immigration and Nationality Act (8 U.S.C. 1182(d)(4)(B)), presently allows, upon the consent of the Secretary of State and the Attorney General, on the basis of reciprocity, to permit nationals of foreign contiguous territories or of adjacent islands and residents thereof having a common nationality with such nationals, to enter the United States without visas. A blanket waiver authority is presently in effect for nationals of Canada and the Bahamas, to British nationals resident in Bermuda, the Cayman Islands and the Turks and Calcos Islands.

In practice, this provision accommodates the vast majority of foreign travelers to the United States who are not required to have visas. Thus, it would seem to appear that if visa waiver was extended, it would touch upon only a minor portion of total visitor population to the United States. Nonetheless, this small portion represents great numbers presently resulting in a great administrative burden on U.S. consulate offices, not to speak of the delays and aggravation to intended visitors to the United States.

C. PROPOSED STATUTORY AMENDMENT

In the 96th Congress, H.R. 5083 was considered in the House of Representatives, and its counterpart S. 2727, was given consideration in the United States Senate to effect a waiver of visas for short-term visitors for pleasure or business.

Although there appeared to be general concurrence in the need to ease visa requirements in the case of short-term visitors for pleasure or business, there existed no common agreement on the shape and form of statutory authority that would permit the waiver of visa requirements, and hence both H.R. 5083 and S. 2727 died. Indeed, the Department of Commerce, pursuant to Section 2122(4) of the International Travel Act of 1961 (Public Law 8763), seems to be obligated to support some form of legislation in this area in that the International Travel Act directs the Secreatary of Commerce in part to ". . . encourage the simplification, reduction, or elimination of barriers to travel and the facilitation of international travel generally."

Moreover, the United States Travel Service is actively promoting "Visit USA" travel in 13 countries, which represents the most important potential overseas market for tourism to the United States. Combined, the 13 countries have accounted for an approximate five million visitors in 1980 with foreign exchange earnings of approximately $2 billion. Unfortunately, both H.R. 5083 and S. 2727 died, and were not reintroduced in the present Session of the United States Congress.

Our organization is aware of a State Department proposal that would bring about the waiver of visas for short-term visitors for pleasure and business, which, we understand, will be given consideration by your Committee. This proposal is similar to the aforementioned H.R. 5083 and S. 2727. We are fully supportive of the proposal.

D. RATIONALE IN SUPPORT OF BRINGING ABOUT LEGISLATION ALLOWING FOR RECIPROCAL AGREEMENTS WAIVING VISAS FOR SHORT-TERM VISITORS

The Japan-Hawaii Economic Council has been very actively pursuing the subject of the waiver of visas for short-term visitors to the United States since 1978, when the Council adopted a resolution supporting a change in the laws of the United States to this effect. Our focus in our actions is, of course, Japan and the economic impact of Japanese visitors to and upon the State of Hawaii. Of course, a change in

the law that we are seeking would not only facilitate Japanese nationals visiting our islands but, of course, would act to eliminate administrative bottlenecks which hamper the free flow of foreign tourists from throughout the world to our island state, and to the United States generally.

The reasons for the support of the elimination of visas for short-term foreign visitors between Hawaii, Japan, and other foreign countries are as follows:

(1) Tourism is Hawaii's largest industry. In 1980, over one-half million Japanese visitors came to Hawaii and spent an estimated $400 million. We believe the elimination of visa procedures will increase the number of Japanese tourists to Hawaii by at least another ten percent.

(2) The Council feels that visa requirements for short-term visitors are outmoded, with no substantive value attained, especially when measured against the tremendous administrative efforts in cost carried by the U.S. Government in order to process visa applications.

In fact, because visa requirements have proven obsolete, some 35 other countries, including Japan, have eliminated visa requirements. In some instances, such waivers are granted only on a reciprocal basis.

(3) And finally, the elimination of visas, in the opinion of the Council, will demonstrate that the U.S. has truly placed the "welcome mat" out for short-term visitors. In Hawaii, we feel this Aloha is particularly important.

In the case of Japanese overseas travelers, not only does the State of Hawaii benefit but it should be pointed out that in 1979, Japanese overseas travelers exceeded four million, of which approximately 1,300,000 traveled to the United States. As an example of the monumental administrative task in simply processing the visa requirements of this number of visitor, the U.S. consular authorities in Japan must accommodate some 3,600 visa applications per day to the United States. It can be safely assumed that this administrative burden borders on being intolerable.[1]

Even more fundamental than the administrative effort that must be given to the processing of visas, is the threshold question of what, in substance, does the issuance of a visa actually accomplish with respect to a short-term visitor. It is respectfully submitted that aside from the formality of carrying the visa stamp in the case of a short-term visitors to the United States, that there is no substantive value attained. Moreover, when measured against the tremendous administrative efforts and economic cost carried by the U.S. Government in order to process visa applications, the value of the visa, both in form and substance, becomes minuscule.

It is further believed that the elimination of visa requirements on a selective country basis (as suggested in the State Department proposal) will stimulate business, economic development and employment in the United States. This stimulated increase of foreign visitors to the United States will increase our foreign exchange earnings and thus aid our international balance of payments position.

Research performed by the United States Travel Service indicates that the anticipation of "difficult entry procedures and/or difficulty in obtaining a visa" inhibits foreign nationals from visiting the United States as tourists. There can be no doubt that a certain amount of actual visitors to the United States feel that they encountered difficult entry procedures or difficulties in obtaining United States visa. Undoubtedly, a certain percentage of potential visitors anticipate the same difficulties.

As set forth hereinabove, primarily at the urging of the United States in the post World War II period, most Western European countries eliminated the visa requirement for American and other tourists. To date, there has been no reciprocal treatment of tourists and other short-term visitors by the United States.

In the case of Japan, visas are currently required for United States citizens. However, the administrative machinery already exists in Japan that would allow for a waiver of visas for United States citizens desiring to visit Japan on a short-stay basis in the event the United States adopted reciprocal legislation.[2]

It should also be mentioned that adopting legislation that would allow for the waiver of visas for short-term visitors for pleasure or business would be in keeping with the provisions of the Helsinki Accord, which pledges the parties thereto, inter alia, to "gradually simplify and flexibly administer procedures for exit and entry,"

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[1] In 1980, Foreign Service posts issued approximately 7 million nonimmigrant visas as contrasted to a mere four years ago when some 4.5 nonimmigrant visas were issued. Of these about half were issued to the 31 countries that were considered for the waiver of visas under S. 2727. Three-fourths of these were to short-term business and pleasure visitors. It is anticipated that total nonimmigrant visas issued since 1978 have increased by approximately 1 million per annum. See Congressional Record, Senate, June 16, 1980, p. S7060.

[2] Indeed, Japan has entered into more than 50 such agreements with other nations. The visa exemption agreements vary between those of a 30-, 90- and a few of a 180-day duration. The bulk of the agreements is of the 90-day duration.

"ease regulations concerning movement of citizens from other participating states," and "endeavor gradually to lower, where necessary, fees for visas and official travel documents."

Finally, the proposed legislation would, in our opinion, demonstrate that the United States has truly placed the "welcome mat" out for short-term foreign visitors.

In conclusion, based on the foregoing reasons, the Japan-Hawaii Economic Council strongly urges the adoption of necessary legislation that would bring about a waiver of visas for short-term visitors to the United States for either pleasure or business.

STATEMENT OF HON. PAUL CAULU, GOVERNOR OF GUAM

Guam is the westernmost territory of the United States. Located in Asia, the island is 6,000 miles from the west coast of the United States, and nearly 9,000 miles from Washington, D.C. The flight from the Nation's Capital to Guam via San Francisco consumes in excess of 21 hours. By contrast, Guam is roughly halfway between the Asian cities of Tokyo and Manila, some 1,500 miles distance from each, or less than 3 hours flying time.

Asian tourism is Guam's major industry. In 1980, 300,000 visitors arrived on Guam and an even greater number are expected during 1981. Total visitor spending for 1980 is estimated at 150 million dollars. In 1979, approximately 25 million dollars in tax revenues were generated by the tourism industry, figure representing 7.8 percent of total Government of Guam revenues for the year. The visitor industry now provides 20 percent of all private sector jobs and, given Guam's environment of clean air, warm climate, sandy beaches and proximity to Asia, the potential is great for expansion of the industry. This expansion is critical. Guam is working hard to create more jobs in its private sector to lessen the island's dependency on Federal and local government employment. Developing a self-sufficient economy has become more and more imperative as Guam's only practical response to cuts in Federal funds for the territory. Tourism must be the major source of new private sector jobs in Guam's economy through 1984.

75 to 80 percent of Guam's present visitors are from Japan and this is over 4 percent of the Japanese who travel overseas. It is estimated the the Japanese visitors spent more than 130 million dollars in Guam during 1980. Deducting the cost of goods, this represented an influx of about 100 million dollars into the United States economy. For a small territory, this represents a significant contribution to the U.S. balance of payments, and the fact that this is Japanese yen heightens the impact.

As an island in the far western Pacific, Guam is dependent on air transportation. The visitor industry creates a demand for expandable air service and helping to make air transportation routes viable. Increasing air linkages to other Asian destinations is vitally important to the success of Guam's campaign to become America's headquarters in Asia for U.S. and multinational corporate offices serving the Orient. Hundreds of U.S. companies presently maintain offices and personnel in Asia at an exceptionally high cost. Guam's lower cost, American security and an expanded air service system would encourage these corporate offices to assist the economic growth and self-suffering of the island. Their location of Guam would also assist the U.S. balance of payments. One major U.S. corporation is reported to be spending 4 million dollars per year on its Hong Kong corporate office.

Under the Immigration and Nationality Act (title 8, U.S.C.), foreign nationals must obtain a nonimmigrant U.S. visa before entering Guam. In relation to the island, these visa requirements are overly restrictive, cumbersome and time-consuming. Their impact on Guam is greater than on the rest of the United States. Currently about 6 percent of Guam's visitors are from Asian countries other than Japan. Given Guam's proximity to Asia and the low air fares in the region, the inability of these people to travel to Guam on short notice severly restricts the growth of tourism to Guam. Unlike the majority of Japanese who travel in tour groups, people in the rest of Eastern Asia travel primarily as individuals, often with little advance planning. A time-consuming visa process severly inhibits these visitors and eliminating the significant economic benefits that could accrue to Guam, and in turn the mainland United States. The ease and convenience with which Guam visitors, both tourist and business, can gain access to Guam is of vital importance to the future growth and diversification of Guam's visitor industry. By eliminating the stringent visa regulations presently imposed on visitors to Guam, the island can expect a substantial increase in visitor arrivals. Hong Kong and Taiwan are the two targeted areas where easing visa regulations could have a

dramatic impact. Other countries of importance in this regard would include Singapore, Japan, Korea, and the Philippines.

In the volatile business atmosphere of Eastern Asia, the inability to quickly access Guam is a severe inhibition to Asian businessmen interested in investing in the regional economy. Easier access would certainly increase foreign investment on Guam. Thus, visa-free travel to Guam, on a single stop, Guam-only basis, will not only assist the tourist industry, but will stimulate more business activity with Eastern Asia. The total impact of these developments on the U.S. balance of trade cannot be predicted, but they should be substantially greater than the present 100 million dollars per year.

The problem of illegal aliens migrating to the United States is a critical problem on the national level. This should not be a problem as a result of changes in visa requirements for Guam entry. Guam has a very small number of illegal aliens currently computed from INS records to be .019 percent of the population. If an alien attempted to enter the United States illegally from Guam, U.S. immigration officials in Hawaii would identify the illegal entrant through the performed check of all travelers entering from Guam. U.S. citizens must show a U.S. passport or some other evidence of citizenship similar to that required at the Canadian or Mexican borders of the United States. Waiving the visitor visa for Guam will not allow the island to be a stepping stone for illegal entry to the mainland United States. To ensure that this is the case, the various safeguards for arrivals at U.S. ports of entry could also be imposed on arrivals from Guam. For example, the airlines could be made responsible for the documentation of their arriving passengers from Guam, just as they do on their other flights to ports of entry.

Guam is also concerned about illegal immigration to the territory and is interested in any safeguards inhibiting such immigration. Guam will take appropriate action locally to ensure that the program is carefully controlled on the island and that any potential overstays are quickly identified. Other possible safeguards would be (1) to allow the visitor to have Guam as the single stop within the United States on their ticket, (2) require a return ticket, (3) require all tickets to be nontransferable and nonrefundable within the territory of Guam, and (4) require all tickets to be purchased from bonded travel agents.

In summary, Guam's location in the western Pacific places it within the Asian sphere of economic influence and activity. This unique location has and continues to allow Guam to make special contributions to the United States. At the same time, this uniqueness demands that Guam not be viewed in the same light as the remainder of the United States. Passage of a bill which waives visa requirements to Guam for stays up to a maximum of 30 days is an example of this. Safeguards already exist to prevent such a program from being a funnel for illegal immigrants to the U.S. and additional measures could be added. On the other hand, such a bill would have tremendous impact on Guam's economic growth and the pressing need for the cration of new private sector jobs in the community. Tourism, business and foreign investment would all be stimulated by such a measure. The U.S. mainland would benefit through an improved balance of payments and trade. Guam will be more self-supporting and the need for supplemented Federal funds will be reduced. Additionally, recognition will be established that laws developed for a 200 million person industrial nation in North America do not always fit an emerging economy located in Asia.

STATEMENT OF KENNETH F. C. CHAR, HAWAII VISITORS BUREAU

I am Kenneth Char representing the Hawaii Visitors Bureau, of which I am president.

The Hawaii Visitors Bureau is charged with the tourism marketing responsibility for the State of Hawaii, under a contract with the State. As such we are very concerned with the positive impact the waiving of non-immigrant visas for certain nations would have on Hawaii tourism. This waiver would be particularly important to Hawaii in the case of visitors from Japan. Japanese visitors presently comprise 15 percent of Hawaii's visitor count.

The importance of such a waiver nationally is readily apparent when you consider tourism is the chief industry in 23 of the 50 states of the United States and ranks among the top three industries in approximately 40 states. Foreign travelers to the United States also represent an important opportunity to help restore America's balance of payments.

The Hawaii Visitors Bureau, therefore, strongly supports the proposal for the elimination of visas for short-term visitors between Hawaii and selected counties, particularly Japan, based on the following:

1. Tourism is Hawaii's largest industry, generating some $3 billion annually. In 1980, over one-half million Japanese visitors came to Hawaii and spent an estimated $400 million. We believe the elimination of visa procedures will increase the number of Japanese tourists to Hawaii by at least another 10 percent.

2. It is felt that visa requirements for short-term visitors are outmoded, with no substantive value attained, especially when measured against the tremendous administrative efforts and costs carried by the U.S. Government in order to process visa applications.

In fact, because visa requirements have proven obsolete, some 35 other countries have eliminated them. And ironically, most of these countries dropped their visa requirements at the urging of U.S. after World War II to accommodate the tremendous number of American tourists traveling abroad.

3. With many economic factors currently affecting travel incentive negatively, any unecessary impediments to travel should be removed wherever possible.

4. And finally the elimination of visas, in the opinion of the Hawaii Visitors Bureau, will demonstrate that the U.S. has truly placed the "welcome mat" out for short-term visitors. In Hawaii, we feel this Aloha is particularly important.

For these reasons, the Hawaii Visitors Bureau supports passage of legislation which will allow for the waiver of visa requirements for short-term visitors to the U.S. on a reciprocal basis for countries having a visa refusal rate of less than 2½ percent—and especially between Japan and Hawaii. Japan has a refusal rate of less than 1 percent.

STATEMENT OF WILLIAM B. GROSSMAN, PRESIDENT, NATIONAL TOUR BROKERS ASSOCIATION, INC.

The National Tour Brokers Association, representing the group travel industry in the United States, supports the position of the State Department in regard to visa waiver legislation for travelers coming into the U.S.

The fundamental issue in visa waiver legislation, as we see it, has to do with the general U.S. attitude toward international travelers who wish to see this great country of ours. We feel strongly that the United States government, as well as the travel industry, should be doing everything possible to encourage more international visitors to come to the U.S., as opposed to making it inconvenient and difficult for them to do so. Travel is a discretionary item in many people's budgets; if we make it more trouble than it is worth to visit the U.S., then many potential tourists will simply write us off as a destination and spend their leisure time in other countries, many of which compete with the U.S. both ideologically and economically.

The present state of affairs concerning via requirements for visitors to the U.S. presents the international traveler with what is often an inconvenient and incentive-destroying procedure to go through in order to obtain a visa for tourist purposes. In many cases it is much easier for Americans to travel abroad than for international travelers to enter our country. This needs to be changed, and the sooner the better.

The 2,000 member organizations of NTBA account for a large part of the group travel business within the United States. Our Active member companies consist of federally-licensed tour brokers who arrange and conduct group tours by motorcoach, air, rail and water transportation. Our Allied membership includes a cross-section of travel industry suppliers such as hotels and motels, restaurants, attractions, public service organizations, and so on.

NTBA members represent one segment of the overall travel industry in the U.S., an industry that has grown to become our nation's third largest, trailing only food and automobiles. Obviously, the economic stakes are high. The travel industry accounted for over $160 billion in domestic and international spending in 1980, with international visitors spending $10 billion in the U.S. alone. This spending is very important in terms of maintaining a favorable balance of payments for the U.S. in the international marketplace.

Based on our knowledge of the severity of the visa problem, we estimate that, had our visa requirements been streamlined in time for the 1980 tourist season, we would have seen about 5 million more visitors than we actually realized. This would have translated into several billions of dollars being pumped into our economy, and the creation of over 240,000 jobs in the tourism field. Many of these jobs would be entry-level and for minorities, whose option was to become a net drain on the economy visa unemployment and welfare payments.

In addition to the obvious financial gains to come from visa waiver, it doesn't take much imagination to realize the good will that will be created for the U.S. when tourists can make their travel plans with a minimum of red tape on our part. The irony of the present situation is that Americans can travel at will in many foreign

countries with no visa problems, whereas we do not reciprocate for those coming to the U.S.

There are those who contend that a less rigid policy for visas would make it easier for terrorists to enter the U.S. Frankly, we feel this is a specious argument. We cannot see the connection between making it easier for tourists, with a proven national tourism record, to come and go in the U.S., and the situation of the international terrorist, who probably requires nothing short of a Berlin Wall to keep him out of any country. We see visa waiver legislation as having no effect whatsoever on the comings and goings of terrorists.

Along this line, a safeguard has been written into the proposed legislation that would make any country with a refusal rate of two percent or greater ineligible for the program. (Refusal rates refers to the number of people turned down for visa rights because of a criminal record.)

The proposed legislation before you would require reciprocity from participating countries. Many of the Western European countries already have streamlined procedures for admitting tourists, and many more would follow as a result of this legislation. Japan is another country that would almost certainly extend reciprocity to the U.S.

In summary, our part of the travel industry stands ready and willing to show off this great land of ours to international visitors from all parts of the world. As a nation, we should be committed to stimulating the growth of this vital part of our economy. Visa waiver legislation will help to accomplish this goal.

STATEMENT OF ROBERT B. ROBINSON, PRESIDENT, CHAMBER OF COMMERCE OF HAWAII

My name is Robert B. Robinson. I am President of the Chamber of Commerce of Hawaii, an organization that represents more than 1500 businesses throughout the state of Hawaii.

The Chamber has joined with several other business and tourism organizations to urge waiver of non-immigrant visas for certain foreign nationals, based on the acceptance record of these countries in previous visa applications. Pre-departure visa applications have caused serious backlogs in American embassies and consulates abroad. At a time when the United States is encouraging foreign visitors, the adverse public relations caused by such delays damages America's image as a friendly and hospitable place to visit. This problem is especially embarrassing in countries which already extend visa waivers to nationals of the United States.

In other countries, such as Japan, where Americans are still required to obtain visas in advance, there is evidence that the government would reciprocate to grant waivers if the United States were to offer a similar courtesy.

Tourism is the major industry in nearly half of our fifty states and nearly forty states list tourism as one of their first three income-producing industries. Encouraging travel by foreign visitors is important across the nation. It is a vital import which assists the United States to reduce its payment deficits abroad and it is the only industry that reduces the trade deficit that offers no foreign product in competition with American industry and the only one to provide additional jobs for Americans, rather than jeopardize existing jobs. In Hawaii, the importance of foreign visitors has been demonstrated in the Japan-Hawaii market, which contributed more than one-half million visitors and an estimated $400 million in 1980.

The Hawaii State Legislature passed a concurrent resolution early this year which urges the United States Congress to waive non-immigrant visas for travelers from certain nations. Testimony in favor of this measure was received from the Hawaii Visitors Bureau, Japan-Hawaii Economic Council, Department of planning and Economic Development of the State of Hawaii, Hawaii Hotel Association, Japan-Hawaii Travel Organization, Japan Travel Bureau, Pacifico Creative Service and Japan Air Lines, along with the Chamber of Commerce of Hawaii. The resolution passed both Houses with no dissenting votes.

The importance of this legislation to America's image in world tourism is that it demonstrates a sincrere desire to be hospitable to other nations. We respectfully request that the State Department's proposal be introduced into legislation.

SOUTH CAROLINA DIVISION OF TOURISM,
August 13, 1981.

Hon. LARRY PRESSLER,
Senate Commerce Committee, Subcommittee on Business, Trade and Tourism, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR PRESSLER: It is my understanding that you will chair a September 24 meeting of the Business, Trade and Tourism Subcommittee of the Senate Committee on Commerce, Science and Transportation. The purpose of the hearing is to look into a proposed visa waiver program of the State Department.

I would like to take this opportunity to urge your subcommittee and the full Senate to take immediate steps to do everything reasonably possible to reduce the unrealistic visa waiver policy that now restricts foreign visitation to the United States. We must do all that we can to ease the problems of foreign visitors coming to the United States.

South Carolina, at no cost to the federal government, has embarked on a highly productive program aimed at encouraging visitors and vacationers from Western Europe and the United Kingdom to see our state. This new state program has the potential to greately enhance the growth and development of South Carolina's vital travel and tourism industry.

I must say, however, that one of the biggest stumbling blocks to the future development of our state program has been the outdated and archaic policy toward visa requirements for our foreign visitors. This nation is losing millions of potential travel dollars due to our current restrictive visa policy.

It is our sincere hope that your subcommittee and the full Senate will act as swiftly as possible to eliminate the unnecessary regulations concerning visas that now limit the growth of tourism in our nation, the Southeast, and South Carolina.

I also want to personally thank you for the outstanding job you are doing in representing the interests of America's essential tourism and travel industry. You have shown a serious interest and concern for this great industry and your support is most appreciated.

Thank you for your understanding and cooperation, and if there is any way that we can be of assistance to you or your subcommittee please feel free to call on me at any time.

Sincerely,

ROBERT G. LIMING, *Director of Tourism.*

DEPARTMENT OF TOURIST DEVELOPMENT,
STATE OF TENNESSEE,
Nashville, Tenn.

Hon. LARRY PRESSLER,
Senate Commerce Committee, Subcommittee on Business, Trade and Tourism, Russell Office Building, Washington, D.C.

DEAR SENATOR PRESSLER: From a news release issued by the Senate Committee on Commerce, Science and Transportation, we have learned that you will Chair a hearing before your Business, Trade and Tourism Subcommittee on a proposal by the State Department to implement a visa waiver program.

This Department has long been an advocate of such a proposal, believing that the current procedure is both archaic and tremendously inconvenient to our potential overseas visitors.

A couple of years ago we embarked on a marketing venture in the U.K. and Europe and as part of this program brought to Tennessee many journalists and tour operators. Because of the nature of their business, these people are afforded special privileges in securing their visas. However, at our request, a travel trade journalist did obtain his visa using the same procedure an ordinary tourist is subjected to. His story was horrifying in that he sat in the American Embassy in London for two days clutching his number before finally obtaining his visa!

In 1982 Knoxville will host the World's Fair and we anticipate thousands of overseas visitors will pass through the turnstiles. Needless to say, we are hopeful that any relief to the present visa situation will be implemented prior to its May opening date.

If this office can assist you in any way in your Committee's pursuit, please do not hesitate to contacts us.

Sincerely,

KATHLEEN P. WILSON, *Deputy Commissioner.*

GEORGIA DEPARTMENT OF INDUSTRY AND TRADE,
September 14, 1981.

Hon. LARRY PRESSLER,
Senate Commerce Committee, Russell Office Building, Washington, D.C.

DEAR SENATOR PRESSLER: We have recently become aware that you will be chairing a meeting on September 24 of the Business, Trade and Tourism Subcommittee of the Senate Committee on Commerce, Science and Transportation. The purpose of the hearing is to look into a proposed visa waiver program of the State Department. We want to let you know that we wholeheartedly support the hearings, as we too, agree that the present visa requirements for tourists and visitors are cumbersome and actually decrease the flow of tourists and international business visitors. We understand the problem that may be encountered in controlling these persons and insuring that they return to their countries as agreed and do not work in the United States or otherwise become illegal aliens. Therefore, we suggest you examine a trial program to work on various visa issuing posts to see if visa issuing requirements can be relaxed or eased without any undue hardships to the United States. We agree that our policies should continue to be restrictive against any illegal trespassing.

In addition to the problems of tourists and business visitors, we have experienced a problem in the area of filmmaking by international film companies. As you are aware, foreign film companies who intend to film in the United States for a short period of time must obtain the same foreign scale work visas as anyone else who may be coming for a year or more, even though they intend to film for only a brief period. This has a result of creating a burden on foreign producers and their production companies. It means that jobs and dollars for American actors, film technicians and equipment rental agencies are lost to the United States because foreign filmmakers or tourists will go elsewhere. Some attention should be paid in the hearings to easing these restrictions as well.

We hope to increase the number of jobs and dollars flowing to the economy in the Southeast. A serious review in issuing of the visa requirements in a manner which pertains to national interest but eliminates innumerable hardships on the foreign visitors would be in all our interests. We appreciate your good efforts and thank you for going to bat for us on this issue. We would be happy to supply any additional testimony or comments.

Sincerely,

ED SPIVIA, *Deputy Commissioner, Tourist Division.*

K-57,
September 17, 1981.

Senator LARRY PRESSLER,
Dirksen Senate Office Building
Washington, D.C.

DEAR SENATOR PRESSLER: Although I am not a constituent of yours, I feel as though you are "my" senator, since we on Guam do not have representation in the United States Senate and I was born and raised in Aberdeen, South Dakota, where my parent still live.

I'm writing to you in your capacity as chairman of a subcommittee considering legislation dealing with immigration and visa requirements, to urge you and your colleagues to act favorably on any measure which would ease visa restrictions for visitors to Guam. Guam is heavily dependent on tourism, primarily from Japan, as its number one industry. I am on the Board of Directors of the Guam Visitors Bureau, and thus am acutely aware of the constraints imposed on the growth of tourism to Guam by the difficult and time-consuming process of obtaining a United States visa, particularly for visitors from Korea, Taiwan, the Phillipines and Hong Kong.

If some method could be found where by would be travellers to Guam from these nearby Asian countries could obtain "Guam Only" visas, and if visa requirements could be lifted entirely for citizens of Japan visiting Guam, the economy of this tiny American outpost in the Western Pacific would receive a badly needed boost. There are also hundreds and thousands of chinese living in Hong Kong who hold certificates of identification, but no passports, who form a pool of potential visitors to Guam if some way could be found to permit them temporary entry for tourist purposes.

I don't know whether you've been to Guam, but if not let me extend an invitation to do so on behalf of the many South Dakota "Guamanians" living here. It would no doubt surprise you, as it has me, to discover how many South Dakotans live on

Guam, and how many Guamanians have gone to school in South Dakota. We'll get together and throw a fiesta for you when you come.

Sincerely,

JON A. ANDERSON, *President.*

STATE OF HAWAII,
Honolulu, September 17, 1981.

Hon. LARRY PRESSLER,
Chairman, Business, Trade and Tourism Subcommittee, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR PRESSLER: As Governor of Hawaii, I am pleased to present the following statement in support of visa waiver legislation:

Tourism is Hawaii's leading industry. About 4 million people visit Hawaii annually, spending $3 billion and providing direct or indirect employment for about 25 percent of Hawaii's labor force. We are sensitive to the needs of the industry, and cognizant of some of the changes that are occurring in it.

One of the most important changes occurring in the tourism field is the growth of the international market. Tourism is becoming very important throughout the world, as more people in more countries travel outside their national boundaries. Also, more countries are developing visitor destination areas, and are advertising more to attract people to those areas.

Tourism can provide employment and bring in valuable foreign currency with relatively few adverse impacts. Consequently, the tourism industry is growing increasingly competitive on an international basis.

This growth and competitiveness in the international market is being felt in Hawaii. There is a greater dependence upon foreign visitors for growth in the Hawaii tourist industry and there is more competition from other visitor destination areas in other countries for these visitors.

Hawaii needs to be able to attract foreign visitors, and in greater numbers. One of the things that needs to be done is to make it easier for foreign visitors to visit Hawaii and the U.S. Waiving non-immigrant visas for travelers from certain countries would contribute materially to this objective.

Our current entrance procedures that require citizens of most other nations to have a passport and a visa to visit the U.S. are a deterrent to travel to our country. While we are not able to qualify the loss of traffic to Hawaii or the mainland U.S. due to this requirement, we do hear of instances in which individuals and groups of travelers have selected other destinations in preference to the U.S. because of the inconvenience associated with securing the necessary documentation.

We know also of individual incidents in which travelers have avoided transitting our country because of long lines, delays, and poor service at some ports of entry.

Amendments to the current rules for entrance into the U.S. could eliminate some workload problems in U.S. offices overseas, and in our ports of entry; this, in turn, would result in economy of administration and in improved service in our ports of entry.

Entry requirements are normally reciprocal. Some countries impose visa requirements upon U.S. citizens because the U.S. imposes similar demands upon their citizens. Amendments to entrance requirements to the U.S. for selected nations could result in benefits when our citizens travelling abroad.

I encourage this committee to initiate legislation that will ease travel requirements to and from the U.S. and thank you for this opportunity to present the views of the State of Hawaii.

With warm personal regards, I remain,

Yours very truly,

GOV. GEORGE R. ARIYOSHI.

NATIONAL GOVERNORS' ASSOCIATION,
September 22, 1981.

Hon. LARRY PRESSLER,
Chairman, Business, Trade and Tourism Subcommittee, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR PRESSLER: As Chairman of the Task Force on Tourism for the National Governors' Association's Committee on International Trade and Foreign Relations, I am pleased to present the following statement in support of visa waiver legislation.

America's international visitor industry is a large and rapidly growing business. In 1978, 260 million tourists (from non-Communist countries) traveled abroad, spending $60 billion in countries they visited. Growth in this industry has averaged approximately 10 percent annually since 1960. Certain worldwide trends in the use of leisure time, higher-salaried middle classes, and improvements in transportation technology make it likely that there will be continued substantial annual growth.

In 1980, the U.S. welcomed 22.5 million visitors from other countries, an increase of 11 percent over the preceding year. These visitors spent more than $12 billion, an increase of 21 percent. These basic figures indicate the size, importance, and growth of this industry.

The National Governors' Association recognizes that the travel and tourism industry, with its many diverse components, has become an increasingly important part of the national economy. Indeed, tourism is now the first, second, or third leading producer of revenue in 46 of the 50 states. Because of this, the NGA strongly believes that the travel and tourism industry must be treated equally with other major industries with respect to national policies aimed at supporting and stimulating economic growth and stability.

The NGA is officially on record in urging the federal government to adopt a comprehensive travel and tourism policy. We also believe that federal action must be taken to simplify, and to otherwise facilitate, the entry of travelers who wish to visit the U.S. More specifically, we would like to see federal initiatives which would effectively cut red tape and ease obstacles to travel to the U.S. in areas such as visas, passports, money exchange requirements, foreign language exchanges, and which would resolve customs and immigration congestion at major U.S. port-of-entry airports. It is our view that visa waiver legislation which would eliminate, in a thoughtfully-designed manner cumbersome barriers to overseas visitors is long overdue.

I greatly appreciate your Committee's interest and concern in this important subject, and thank you for the opportunity to present the position of the National Governors' Association for your consideration.

With warm personal regards, I remain,

Yours very truly,

GEORGE R. ARIYOSHI.

AIR FLORDIA,
September 22, 1981.

Hon. LARRY PRESSLER,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR PRESSLER: Air Florida wishes to voice its opposition to the airline fine provisions included in the Administration's visa waiver proposal. Although we strongly support the waiving of visas for non-threat countries who reciprocate with the U.S., the fines which our Government proposes to issue are unwarrented.

According to the Administration's proposal, an airline can only waive the visa requirement if it contracts with the Department of Justice to issue only round trip, non-refundable, non-transferable airline tickets to foreign visitors without visas. In addition, the airline must agree to collect government forms before departure from the U.S.

This type of partnership between the Department of Justice and the air carrier is, in itself, a safeguard against air carrier abuse of the privilege to waive visas. If an air carrier becomes careless in its administration of the visa waiver, the Attorney General has the option of revoking the contract. In this case, passengers would no longer elect to fly on that carrier since visas would be required by that carrier.

Therefore, $1,000 fines for failure to issue the proper tickets and $1,000 fines for failure to collect government forms before departure from the U.S. are unnecessary and burdensome to free enterprise. The willingness of airlines to provide enforcement of the visa waiver laws should not be reciprocated with the threat of unjust and severe fines.

In closing, Air Florida urges you in your consideration of the visa waiver proposal to exclude the airline fine language found in the Administration's bill.

Sincerely,

SANDY MITCHELL,
Vice President, Government Affairs.

AMERICAN SOCIETY OF TRAVEL AGENTS, INC.,
September 29, 1981.

Senator BOB PACKWOOD,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

DEAR BOB: Please be advised that ASTA fully supports the Reagan Administration in its efforts to relax U.S. visa requirements on a careful and selective basis as outlined by the U.S. State Department. All members of the travel agency industry are behind this effort and have been for several years.

We are aware of the concerns of those who feel any relaxing of current standards would enable an increase of undesirable and illegal aliens to enter our country. We feel that the safeguards recommended, such as requiring visa waiver recipients to possess round trip, non-refundable tickets, execute affidavits concerning their eligibility for temporary admission and to pledge not to seek employment while in the United States should do much to prevent any harmful effects.

ASTA believes that as a result of our signing the Helsinki Accord we have an obligation to the other signatories "to simplify and to adminsiter flexibly the procedures for exit and entry," and "to ease regulations concerning movement of citizens from the other participating states." Furthermore, in March 1981, the final report of the Select Commission on Immigration and Refugee Policy recommended "that visas be waived for tourists and business travelers from selected countries who visit the United States for short periods of time." ASTA supported this conclusion. Currently eighty countries do not require visas for U.S. travelers on short-term business or pleasure trips.

Furthermore, we feel that the airlines have a very heavy burden in carrying out their responsibilities under the Administration's proposal, and thus, it should not be necessary to have an additional financial penalty placed upon them for minor paperwork infractions.

In ASTA's judgment it would be beneficial to our country and to our standing in the international community as a leader if we were to pass the visa waiver proposal set forth by the State Department. It will certainly enhance our ability as travel agents to promote and sell travel to America, and we feel everyone benefits from the increase of foreign visitors to our country.

Yours truly,

JOSEPH R. STONE.

UNITED STATES DEPARTMENT OF COMMERCE,
THE ASSISTANT SECRETARY FOR TOURISM,
Washington, D.C., September 30, 1981.

Hon. LARRY PRESSLER,
Chairman, U.S. Subcommittee on Business, Trade and Tourism, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN PRESSLER: During the hearing on the State Department proposal to implement a visa waiver program held before your Committee on September 22, 1981, I promised to provide an additional comment relating to its impact on international conventions.

In general, the waiving of the visa requirement would improve opportunities for the U.S. to increase foreign attendance at congresses, trade shows or professional meetings. Similarly, facilitated entry would tend to enhance the United States as an international congress venue, assist foreign travel agents in "selling" the United States as an attractive and hospitable destination to visit and encourage more foreign citizens to buy United States travel services.

Clearly, the United States is losing convention business because of the visa requirement. In carrying out its mission to develop tourism to the United States, the USTS has encountered a number of instances in which existing visa requirements, regulations and processing procedures have either deterred or impeded inbound travel from abroad including conventions. The one special example cited during the hearings dealt with the International Red Cross which has declined on

several occasions to meet in the United States because the State Department could not guarantee visas for all delegates This special case is not addressed in the proposed legislation since some of the delegates might be from countries not excepted. However, in general, the proposed legislation would help the international convention business.

Let me reiterate my strong support for the proposed legislation.

Sincerely,

FREDERICK M. BUSH,
Assistant Secretary for Tourism.

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